



## **Kwazulu-Natal Department Of Education Annual Report 2005/6**

*Getting KwaZulu-Natal Learning  
Senza iKwaZulu-Natal Ifunde*





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**MEC: Education,  
Mrs Ina Cronjé**



**Superintendent General  
RC Lubisi (PhD)**

*In fulfilment of the obligations of the Accounting Officer of the KwaZulu-Natal Department of Education in terms of the Public Finance Management Act, I have pleasure in presenting the Annual Report 2005/6 to the MEC: Education, Mrs Ina Cronjé.*

R Cassius Lubisi (PhD)  
Superintendent-General

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weave the fabric fine  
Record thy fame in golden deeds,  
let honour bright be thine?  
And who will cast away the self  
and strive continually  
To make thee worthy, O my school,  
of thy great destiny.

Why we the schoolgirls of today  
and those who follow on  
and those who've gone before us  
will forge the chain of song.  
Of beauty, courage, faith and hope,  
of joy and peace,  
That's noble  
in our school.

*Matrics of 2005*

## Part 1 General Information





## Vision

Our vision is that of a literate and skilled society capable of participating in all democratic processes and contributing to the growth and development of the people of KwaZulu-Natal.



## Mission

The mission of the Department of Education is to provide opportunities for all our people to access quality education which will improve their position in life and contribute to the advancement of democratic values in KwaZulu-Natal.

# 1. Legislative and Other Mandates

The MEC for Education as the Executive Authority responsible for education delivery in the Province operates within the framework of the Constitution and a number of other pieces of legislation and policies in the public service in general and the education sector specifically.

## 1.1. Constitution of the Republic of South Africa Act No. 108 of 1996

In terms of the Constitution, education other than higher education is a concurrent function shared by the national and provincial spheres of government. The MEC has overall responsibility for providing basic education and progressively providing further education and training.

## 1.2. National Education Policy Act No. 27 of 1996

The National Education Policy Act (NEPA) provides a framework for intergovernmental relations with regard to the provision of education. It establishes the roles of the Minister of Education in relation to those of the MECs of Education in provinces. NEPA promotes the spirit of cooperative governance.

## 1.3. South African Schools Act No. 84 of 1996

The South African Schools Act (SASA) promotes access, quality, equity and redress in the provision of education. SASA also establishes a framework for democratic governance in the schooling system by providing for the election of School Governing Bodies. Further, the Act guarantees the right of access to quality education and declares primary education for children aged 7 to 15 compulsory. SASA seeks to redress past imbalances in the allocation of resources and to reduce the infringement of children's rights to basic education due to poverty through the National Norms and Standards for School Funding.

SASA was amended by the Education Laws Amendment Act No. 24 of 2005, to enable the Minister of Education to declare certain schools as “no-fee schools” after following due processes. The declaration of no-fee schools is to ensure that children's rights to basic education are not infringed by their inability to pay school fees.

**1.4. Employment of Educators Act No. 76 of 1998**

The Employment of Educators Act provides for the employment of educators. The Act regulates the conditions of services for educators and also provides for educators' professional, moral and ethical responsibilities.

**1.5. South African Council for Educators Act No. 31 of 2000**

The South African Council for Educators Act provides for the governance of the professional teaching corps under a single professional council.

**1.6. Further Education and Training Act No. 98 of 1998**

The FET Act provides for the framework for the establishment of a further education and training system made up of secondary schools and FET Colleges. The Act provides for the development of a responsive funding mechanism and an appropriate curriculum for the further education and training band.

**1.7. Adult Basic Education and Training Act No. 52 of 2000**

The Adult Basic Education and Training (ABET) Act provides a framework for the establishment of public and private ABET Centres, ABET funding, governance and quality control mechanisms for public ABET centres.

**1.8. South African Qualifications Authority Act of 1995**

The South African Qualifications Authority (SAQA) Act provides for the establishment of a National Qualifications Framework (NQF) which seeks to create a system that makes it possible to integrate education and training, enabling portability of qualifications and transferability of skills obtained from a wide spectrum of settings.

**1.9. Education White Paper 5 on Early Childhood Development of 2000**

The Education White Paper 5 on Early Childhood Development (ECD) provides for the full universal access to Grade R for five-year old children by 2010. White Paper 5 promotes the improvement of quality programmes, curriculum and teacher development for the benefit of children aged nine and below.

**1.10. Education White Paper 6 on Inclusive Education of 2001**

The Education White Paper 6 provides a framework for the implementation of an inclusive education system. The policy seeks to reduce barriers to learning and development and to meet the needs of vulnerable learners at all levels.



**1.11. Education White Paper 7 on e-learning**

The Education White Paper 7 on e-learning provides a framework for the roll out of Information and Computer Technology (ICT) infrastructure in schools as well as curriculum delivery through ICTs.

**1.12. Revised National Curriculum Statement (RNCS) Grades R to 9**

RNCS is an outcome-based curriculum for the general education and training (GET) band. It seeks to ensure that all learners from Grade R to 9 are able to realize their optimum potential through the setting of outcomes upfront to be achieved by the end of the learning process. The OBE approach encourages learner-centred education.

**1.13. National Curriculum Statement (NCS) Grades 10 to 12**

The National Curriculum Statement was declared policy in November 2003 to roll-out the transformation of the curriculum to schools in the FET band. The first year of implementation was 2006 in Grade 10, with Grade 11 and Grade 12 set for implementation in 2007 and 2008 respectively.

**1.14. Others**

Other than the legislation and policies pertaining to the core function of the Department is obliged to comply with all the legislation and policies in the public service. These include:

- Public Service Act of 1994
- Labour Relations Act of 1999
- Employment Equity Act of 1999
- Public Finance Management Act of 1999
- Preferential Procurement Framework Act of 2000
- Intergovernmental Relations Framework Act No. 13 of 2005
- Treasury Regulations

## 2. Foreword by the MEC

This financial year has seen a record number of grade 12 learners sitting for their final school examinations. The increase in candidates over the past five years from 93 237 in 2001 to 120 397 in 2005 is sufficient reason to rejoice, especially seen in the context of the 50th Anniversary of the adoption of the Freedom Charter in June 2005. Guided by our strategic goals, we adopted several programmes that were aimed at improving access to quality education for all our people. In our Further Education and Training Colleges programme we have opted to take education to the people by establishing satellite campuses across KwaZulu-Natal, increasing the initial 25 delivery sites to 66 delivery sites. The doors of learning and culture are indeed opening to all.

While this is good news, it is of the utmost importance to ensure that quality teaching and learning take place behind the doors of learning and culture. Major weaknesses were identified during my first year in office and since, systems have been put in place to address a variety of issues, such as a poor work ethic, poor management and maladministration, lack of management systems, as well as a severe backlog in infrastructure.

Teething problems in all new programmes and systems are unavoidable, as the provision of Learner Teacher Support Material has proven. However, we still managed to make a difference, as never before has the province seen so many books and stationery delivered to its 6000 schools by the end of the financial year. The LTSM team is hard at work to iron out problems that hampered delivery during the 2005/2006 financial year.

We are also beginning to pick the fruit of systems put in place in the finance department. The Department received an audit report with only one qualification this year. In the financial year 2004/05 we received a qualified audit report after a history of five previous audit disclaimers i.e. the Auditor-General could not express an audit opinion. We are committed to even further improvement of the financial management systems.

We have made great strides in our infrastructure delivery programme. We built 1 571 classrooms and 3 001 toilets which exceeded the targets by 71 classrooms and 501 toilets. Wiping out the severe backlog in infrastructure that the past has left us with, is a process that will take a number of years and we are committed to systematically reducing the backlog,

However, it is delivery beyond bricks and mortar that determines success - nothing can replace a dedicated teacher. We are proud to say that six of KwaZulu-Natal's educators walked away with five awards in eight different categories in the 2005 National Teachers Awards. They were Mrs B Tugh (West Park Special School), Mr BS Mdletshe (Ncamani Adult Centre), Mrs TP Mdakane (Oppermanskraal Primary), Mr Y Bhundoo (Kharina Secondary) and Mrs K Osman and Mr PT Mthethwa (ML Sultan). Many of our teachers go the extra mile to make teaching and learning succeed despite the many challenges. Teachers are our schools without walls and we salute them. However, there is still a lot of room for improvement as far as the culture of teaching and learning is concerned in some of our schools. We are determined to root out under-performing schools.

The need for support and guidance to our schools by ward and circuit managers cannot be overemphasised. This was emphasised when I visited underperforming schools at the beginning of 2005. We cannot have pockets of excellence in a desert of poorly managed and underperforming schools. All our children deserve excellent education.

Every enterprise must take stock from time to time to determine whether its structure still serves its purpose. This was also the case with the KwaZulu-Natal Department of Education during this financial year. Wide consultation has taken place and the new structure will be implemented during the next financial year. The objective of restructuring the Department is better service delivery which will enable us to deliver on the Batho Pele principles.

Getting KwaZulu-Natal learning requires selfless effort from all role players. Schools cannot function without the support of parent communities and I acknowledge our many parents across the province who give generously either financially or in kind. In particular, I thank the school governing bodies for their dedication; caution those that only further their own selfish ends, rather than that of the learners, not to use our schools and children for self advancement and enrichment.

In tabling the Annual Report to the House I thank our Premier, Dr Sibusiso Ndebele, Members of the Executive Council, the Portfolio Committee of Education and all Members of the Provincial Legislature for the support they have given us. The chairperson of the Education Portfolio Committee, the honourable Mr Senzo Mchunu, has actively supported us and has been a great help in alerting us to potential problems. The speaker, Mr Willis Mchunu, is also to be commended for his interest in education issues.



All these contributions, as well as the visits by the Minister of Education, Mrs Naledi Pandor, rally us together to continue our march to quality education for all.

I also thank the officials of my Department who put shoulder to the wheel to make a difference, in particular the head of the department Dr Cassius Lubisi and his top management, Mr Themba Ndhlovu, Dr Simon Mbokazi, Ms Pam Zulu and Ms Lulama Mbobo for their tireless work.

### **I end with a Message of Hope - The author is Dr Faulkner**

#### **Message of Hope**

There are those who adamantly seek to protect our children.

There are those who openly seek to harm our children.

Either of these types are generally easy to recognize.

Then, there are those who covertly seek to harm our children.

We try to identify them and prevent them from inflicting further harm.

But just as concerning, can be those who harm our children by lack of action, by apathy, or by dissemination of information that will keep our children at risk, and often under the guise of being peacemakers or under the pretense of doing no harm.

These people can be more difficult to identify and more troublesome to deter.

Wouldn't it be wonderful...

if we were all able to speak,

with one unified voice at one united moment?

What an abuse shattering sound we would make!

Until that time, we will not give up ...

We will not give in, and ...

"We will NOT go quietly into the night."



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Mrs Ina Cronjé - MEC: Education

### 3. Introduction by the Superintendent-General

The end of a financial year is an important period in any organisation that has to account to the public and its stakeholders on the manner in which the funds allocated to it were expended. Although, we periodically review the course that we have chosen to assess whether it is indeed taking us to our desired destination, taking final stock at the end of the financial year brings with it the much anticipated Annual Report, an audited statement of how the Department of Education has spent the voted funds.

The Annual Report 2005/6 that I am presenting to the Executive Authority is the outcome of hard work that has been put by the officials of the Department. The Department has retained its focus on improving financial management and service delivery. The task has not been easy, but our relentless effort to establish sound financial management systems, including internal controls and risk management, has begun bearing fruit. The systems that have been built have been complemented by filling of the critical vacancies of the Chief Financial Officer and Deputy Chief Financial Officer as well as the secondment of a Chief Director: Supply Chain Management from the national Department of Education to further improve our capacity to manage allocated resources.

The Department also moved swiftly to finalise the organisational restructuring exercise, informed by the recommendations of the Scoping Task Team from the Office of the Premier. Of critical importance to the Department is the realization of the overall intention of the new structure which is to improve service delivery and efficiency at all levels, that is by creating a clear distinction of functions of education management on one side, and support services on the other hand. The historic "merging" of these two distinct functions have often led to one of them being compromised, as managers pursued the other. We will progressively roll out the new structure in the medium term.

During the financial year 2005/6 the Department had a total budget of R14.750 billion, which represents 32% of the provincial budget. It is also important to highlight that the KZN Department of Education is the biggest of the nine provincial education departments in the country, with 2.7 million learners, and over 74 000 educators and a total of 5 676 schools and 9 FET Colleges at the end of the 2005/6 financial year. This Annual Report provides a detailed account of how these funds were spent during the 2005/6.

Generally, management and administrative systems have improved significantly in the recent two years. Levels of under- and over-expenditure have improved tremendously over the past two years. Of particular pride for the Department is the infrastructure delivery programme where we spent all the funds allocated to the infrastructure projects and exceeded the targets that had been set. Further details on specific programme achievements are in Part 2 of this report. In summary, the R14.750 billion was divided into the following programmes:

Programme	Revised Allocation (R000's)
Programme 1: Administration	R905 433
Programme 2: Public Ordinary Schools	R12 787 216
Programme 3: Special Needs Education	R45 650
Programme 4: Independent Schools	R258 526
Programme 5: Further Education and Training	R304 595
Programme 6: Adult Basic Education and Training	R52 423
Programme 7: Early Childhood Development	R79 673
Programme 8: Auxiliary and Support Services	R316 215

These programmes collectively reflect the scope of work and education services that have to be provided by the Department of the Education. As can be noted, the majority of the budget is allocated to Programme 2 (about R12.78 billion), which is where the bulk of our learners and teachers are provided for.

The year 2005/6 also saw a number of key documents published by the Department. These include:

- A Service Delivery Charter in which the Department commits itself to delivering services of high quality. The Charter also articulates the principles that will be upheld by the Department in delivering education services and clearly outlines the responsibilities of each of the levels of education management and service delivery. The document will enable the people of KwaZulu-Natal to monitor adherence to the commitments at any given time.
- An Annual Performance Plan 2006/7 in which the Department articulates new policy developments, explains successes and challenges of implementation, including an indication of shifts in strategy necessitated by changing conditions. The document also sets delivery targets for each of the eight programmes of the budget.

A summary of the Department's highlights and achievements is provided in the next section. In Part 2 we provide a report on the state of human resources in the Department, while Part 3 and Part 4 report on programme performance and financials respectively.



## 4. Information on the Ministry

KwaZulu-Natal MEC for Education, Mrs Ina Cronjé led from the front, reaching all school communities across our vast province to get KwaZulu-Natal learning. Proof of her hands on approach in dealing with matters, is the large number of schools and education offices she visited and the numerous meetings she had with various stakeholders, including parents, learners, organised labour, educators, business, donors, sponsors and the media.

These reality checks enabled the Department to implement several programmes to improve the quality of service delivery. Proof of the success that has been obtained in the financial management of the Department is the qualified audit report it received from the Auditor-General after five years of consecutive financial disclaimers.

To improve work ethics among public servants the Department produced a Service Delivery Charter that has received acclaim and recognition from the Office of the Premier and other departments. Plans were also put in place to familiarise every staff member in the Department of Education with the Charter. The public will realise the impact of the Service Delivery Charter in basic practices, such as the wearing of nametags and providing them with contact details to report poor service delivery.

The Department was tremendously strengthened by the filling of top management positions. In the driving seat of the Department, Dr Cassius Lubisi was appointed as Superintendent-General. He brought a wealth of experience into the Department both from his past academic career and service in the national department of education. The new structure that was approved, gave the Department the opportunity to address gender equity in top management. The filling of the latter enabled the Department to meet the mandate of government to appoint 50% women in top management positions. The number of women in senior management positions was increased from 13% in 2004 to 33% to date.

The core business of the Department is teaching and learning. Service delivery in the classrooms is therefore affected by the teacher/learner ratio, which is determined by the available budget. The MEC's successful consultation with organised labour and school-governing bodies has produced excellent results and for the first time since democracy the teacher/learner ratio has dropped to below 1:34.

Her association with other stakeholders, such as the Toolmakers Association of South Africa, has benefited the Department, in particular the Further Education and Training Colleges. This is a direct response to creating employment and addressing skills shortages in the province and country. A visit to Belgium's skills training institutions with two FET rectors further strengthened the vision of providing relevant training to our out of school youth and unemployed people.

The desire to taking education to the people resulted in an increase in the number of delivery sites of our nine FET Colleges from 51 in 2004 to 66 campuses.

**MEC Diary: 1 April 2005 to 31 March 2006**

- Visited 200 schools and education offices to inspect infrastructure, intervene, send condolences and officially open new structures.
- Attended 269 meetings, dinners, and conferences with the media, NGO's, educators, officials, business, donors, sponsors, officials, parents and learners, teacher unions.
- Met 29 times with MECs and intergovernmental stakeholders.
- Participated in nine Izimbizo with the provincial cabinet and national department.
- Attended eight Council of Education Ministers meetings.
- Met with 10 ambassadors, consuls and international stakeholders.
- Attended 69 meetings in parliament and cabinet.
- Accompanied the Premier to Belgium to explore skills development.

The staff in the Office of the MEC for Education plays a critical support role, in meeting the challenges of the MEC: Cronjé's demanding diary. Research, media liaison, consultation with the public, officials, teachers, parents, children, sponsors, donors and other departments are some of the many functions performed.

## 5. Highlights and Achievements for the Department

During the year under review, some incidents and activities that constitute significant achievements for the Department were noted. These achievements include indications that the province is making significant strides in quality improvement evidenced by the increase in the number of learners who qualify for entry into universities and by the KwaZulu-Natal schools that received national awards for Most Improved Schools. This section of the report provides details of such highlights and achievements noted during the financial year 2005/6.

### 5.1. Senior certificate examinations

The KwaZulu-Natal Department of Education had the highest number of full time candidates in the country - 120 397 during the 2005 Senior Certificate Examination. The figure represented an increase of about 9% with 9 766 more candidates writing the examination in 2005 than in 2004. In addition, 3 015 more candidates passed in 2005, compared to 2004. The Department has also maintained an increase in the number of candidates that pass with matric endorsement: from 19 887 in 2003, through to 20 950 in 2004, to 21 005 in 2005. This indicates that the province had more learners qualifying for university admission in 2005 than in 2004.

The examination was administered in a total of 1 545 centres, and marking was conducted at 22 marking centers in the province. Despite the magnitude of the task, the Department conducted incident free examinations once more. The results in both the Senior Certificate and ABET level 4 (equivalent to grade 9 on the National Qualifications Framework) examinations were declared credible, reliable and fair by UMALUSI, the Quality Assurance Body.

The Department also conducted an analysis of these results by districts (before the implementation of the new structure) which highlighted districts that were performing below the provincial average and were in need of additional support. (See Table below)



DISTRICTS	NO. WROTE	NO. PASSED	% PASSED
<b>ZULULAND REGION</b>	<b>35 268</b>	<b>21 552</b>	<b>61,11</b>
Obonjeni	9 475	5 278	55,7
Vryheid	13 141	8 573	65,23
Empangeni	12 652	7 701	60,86
<b>OKHAHLAMBA REGION</b>	<b>21 043</b>	<b>14 146</b>	<b>67,22</b>
Othukela	8 025	5 302	66,06
Umzinyathi	6 520	4 011	61,52
Amajuba	6 498	4 833	74,38
<b>PIETERMARITZBURG REGION</b>	<b>23 558</b>	<b>17 055</b>	<b>72,40</b>
Umgungundlovu	10 928	8 100	74,12
Port Shepstone	9 017	6 455	71,58
Kokstad	3 613	2 500	69,19
<b>ETHEKWINI REGION</b>	<b>42 433</b>	<b>32 085</b>	<b>75,61</b>
Umlazi	20 328	15 825	77,85
Pinetown	14 691	11 355	77,29
Ilembe	7 414	4 905	66,16

## 5.2. Most Improved Schools Awards

In recognition of diligence and excellence of our school managers, teachers and learners, the province not only took part in the national awards of the most improved schools, but went on to scoop some of the most prestigious awards in the schooling sector. Schools that made the province proud include:

- Umlazi Commercial Technical High School for receiving the Maths & Science Award;
- Sithengile Secondary School for receiving the Consistency Improvement Award;
- Okumhlophe High School of Umlazi District for receiving the Home Language Proficiency Award for IsiZulu; and
- Haythorne Secondary School of Umgungundlovu District received the Home Language Proficiency Award for English.

### 5.3. National Strategy for Learner Attainment (NSLA)

The Department continued to implement the National Strategy for Learner Attainment (NSLA), formerly known as the Matric Intervention Programme (MIP). Various strategies for improving performance in grades 10 to 12 were implemented. The highlight for the Department was the significant decrease in the number of "dysfunctional" schools that perform poorly in Grade 12 examinations. Of the 272 schools that previously obtained a less than 50% pass rate in Grade 12, a total of 197 (72,4%) achieved above the 50% pass rate mark in the 2005 Senior Certificate Examination. A committed budget of R5 403 107 was used for the project. The success of such initiatives encourages school managers, teachers and learners to perform even better in subsequent years, given the support of district and circuit officials.

### 5.4. Infrastructure Delivery

At the beginning of the financial year 2005/6, the Department had set itself a target of building 1 500 classrooms and 2 500 toilets towards the reduction of the long-standing infrastructure backlog in the province. Both were achieved and exceeded, despite higher than average rains in the first three months of the calendar year. A total 1 571 classrooms were built during the reporting period, representing a 105% delivery against target. Similarly, 3 001 toilets were built, translating to a 126% delivery against target.

This service delivery record on infrastructure can partly be attributed to the improved coordination and working relationships between the Department and its implementing agents, in particular the Department of Works which still receives the largest share of infrastructure projects. A Joint Task Team comprising of Works and Education officials was established, and meets on a monthly basis. The Task Team provides a forum which provides strategic direction to the infrastructure programme and ensures proper coordination between planning and service delivery.

The Service Level Agreements entered into with all implementing agents have also assisted tremendously in improving the pace and quality of delivery. However, capacity constraints of the implementing agents remain a challenge. Although some of these constraints are a reflection of those affecting the entire construction industry, the Department is concerned about those that have previously led to under-delivery and under-expenditure; as well as delays in releasing the "requests for proposals" on approved projects. To minimise the risks, the Department conducted a risk analysis on projected infrastructure expenditure in the 2006/07 financial year to determine its exposure in relation to each implementing agent.

Based on this assessment, the Department is consulting the agents and intends to re-allocate budgets and projects to limit over exposure.

As the country gears itself for the 2010 World Cup, the capacity of the construction industry will be stretched even further and the Department hopes that the investment it has made in SMMEs in the industry, will ensure that infrastructure delivery in the education sector is not adversely affected.

Internally, the Department has also improved its planning, monitoring and accounting processes that are a critical part of infrastructure delivery.

#### **5.5. Thuthuka Education Upliftment Project**

Thuthuka Education Upliftment Project is a joint initiative of the KwaZulu-Natal Department of Education and the South African Institute of Chartered Accountant (SAICA). It is aimed at transforming the profession of Chartered Accountants by increasing the number of female and black Chartered Accountants in the profession thereby making a contribution to the development of the skill base of our country.

Selected groups of learners from previously disadvantaged schools participate in this programme. Some are placed in institutions of higher learning where they pursue accounting related fields of study. Many of the schools participating in the project are drawn from the predominantly rural parts of the province including Zululand, Ukhahlamba, Msinga and Port Shepstone. The project focuses on improving performance in Mathematics, Accounting and English for learners and educators.

In 2005, a total of 32 students were given bursaries and placed at the Universities of Cape Town, Johannesburg and the Witwatersrand. A 100% pass rate during their first year was recorded. At the beginning of 2006 an additional 68 students were placed at the Nelson Mandela Metropolitan University as well as the Universities of Cape Town, Johannesburg and the Witwatersrand. The Department contributed R1 million to the Thuthuka Bursary Fund to assist these students.



### **5.6. Roll-out of ICTs**

One of the most significant achievements for the Department during 2005/6 is the delivery of computers to 1 320 schools in the province. The delivery is taking the Department a step closer towards the achievement of the goals of the Education White Paper 7 on e-learning, that is, of having all schools e-compliant by 2013. This is a huge task in a predominantly rural province such as KwaZulu-Natal, where the provision of such basic infrastructure as electricity itself, remains a challenge.

The computers that have already been provided are meant to assist schools in improving management and governance processes. The Department has been assisted by various partners and sponsors such as MTN and Vodacom Bytes Technology. It is also through such partnerships that a fully fitted computer laboratory was officially opened at Siphosethu Secondary School in KwaNgwanase, in response to the NEPAD e-schools project. The next financial year will see stronger advances being made towards achieving the objectives of White Paper 7 on e-Education.

### **5.7. Learner and Teacher Support Materials**

Last year the Department reported that it was streamlining processes in the requisition and distribution of learner support materials to enable it to keep track of the extent to which schools have been supplied with relevant materials at any given time. The Department appointed EduSolutions and Indiza-Motswedi to manage these processes in the third quarter of the financial year. The delayed start in the setting up of processes had a negative impact on the project. In addition, the complexity and sheer magnitude of the intervention meant that not all schools could receive their materials within the stipulated time frames.

The Department will be conducting an independent review of the process that begins with the drawing up of catalogues, through to the selection of materials and requisitioning by schools to the actual distribution. In an attempt to improve the systems, in preparation for the 2007 academic year, a review, which will be in addition to the internal assessment will be conducted by the Department in an attempt to strengthen the 2007 delivery plan.

### **5.8. Integrated Quality Management System (IQMS)**

IQMS is a critical aspect of the overall strategy of improving the quality of education through professional development and management. The system operates on a very tight cycle that begins with the training of officials and professionals who assist schools in administering the instruments and the process culminates in a summative evaluation at the end of the year.

Although KwaZulu-Natal has a very large number of educators, the Department was able to successfully train all 74 000 educators on the ELRC Collective Agreement No.8 of 2003. Furthermore, training was conducted on Collective Agreements No. 4 and No. 5 of 2005 for the therapists, psychologists and FET college educators respectively. Training for therapists and psychologists was provided directly without using the cascade model.

Over 95% of the districts in province were able to conduct summative evaluations and submit the evaluation scores as per IQMS Management Plan approved by the provincial ELRC. A 1 % pay progression was effected as scheduled to deserving educators, making the KwaZulu-Natal Department one of the only four provinces to effect such payment by the end of 2005.

### **5.9. Connectivity Project**

The Department continues to pursue its goal of establishing an FET Colleges' sector that is suitably positioned for the delivery of skills in a constantly changing technological arena. To this end, the Department intends to launch the Connectivity Project in the next financial year, taking the FET College sector a step further towards the attainment of its articulated goals. This project will be part of the FET Recapitalisation Programme and is aimed at the following:

- The establishment of the FET College system connectivity for purposes of management, administration and communication for educational advancement and professional development;
- The provision of access to e-learning technology and materials to create a flexible learning environment; and
- The support to remaining provinces within the recapitalisation process to establish this level of connectivity as part of their recapitalisation planning.

#### 5.10. Training of co-operatives in FET Colleges

Following a province-wide initiative to deal effectively with poverty through job creation and women empowerment, the Department responded by establishing a firm partnership with the Department of Finance and Economic Development that focuses on the training of co-operatives. Since the launch of the project, FET Colleges have trained 4 896 co-operatives, formed by almost 49 000 people, and 3 188 SMMEs. The training is intended to empower ordinary citizens with the necessary skills for collective economic activity. FET Colleges have also successfully finalised the training of 43 women co-operatives to roll out the National School Nutrition Programme for the next financial year. This exercise is expected to create employment opportunities for about 429 women who will provide school nutrition services to their local schools.



## 6. Overview Of Service Delivery Environment

The service delivery environment for the KwaZulu-Natal Department of Education is mainly affected by the predominantly rural nature of the province, high levels of poverty, high illiteracy rates, and above average HIV/AIDS prevalence rates in some districts. The Department has to be constantly mindful of these factors as they present specific challenges to the manner in which services are delivered to the people of KwaZulu-Natal.

### 6.1. Improving access to quality education

Children living in the deep rural areas of the province are usually faced with challenges that threaten their ability to access education services, including the long distances that some of them have to travel from their homesteads to schools. It is not uncommon for learners to walk ten kilometres and longer to get to schools. An additional challenge for such learners and schools is the difficulty of attracting and retaining suitably qualified teachers, particularly in key subjects such as Mathematics, Science and Accounting.

Rural and farm localities also tend to have a number of small schools with enrolment significantly lower than the theoretical threshold that make schools viable and efficient. Invariably these are the same schools that would therefore not benefit from the various interventions and programmes that are meant to benefit similarly poor schools. Farm schools with learner enrollment of less than 200 would not see immediate benefits of the progressive allocation of resources in favour of the poor as per the Norms and Standards for School Funding simply because of their low learner numbers.

These challenges cannot be addressed through a single policy instrument. They require the Department to develop a comprehensive response to the plight of the rural poor, which will recognise the peculiarities of rural education. To this end, the Department is preparing for the consolidation of rural and farm schools that will include responses ranging from rationalizing small schools to create bigger, viable schools, provision of learner transport in instances where this would be the best option, to building accommodation for learners and/or educators where feasible. Details of the plans will be unveiled in the next financial year.



## **6.2. Dealing with poverty**

The Department has also adopted multi-pronged strategies in mitigating the negative impact that poverty might have in the delivery of education in the province. Some of these are direct responses within the education sector such as the National School Nutrition Programme while others are aimed at improving the lives of communities within which schools are located.

The National School Nutrition Programme in the province reached 1,371,777 learners in 3 467 schools, which was above the 1,251,140 learners in 3 090 schools that had been targeted. The scheme is a critical instrument in alleviating short term hunger and side effects of malnutrition amongst the poorest learners, while at the same time creating opportunities for sustainable livelihoods for the many SMMEs that participate in the scheme. During the reporting period, FET Colleges trained 43 women co-operatives to provide the service to local schools starting in July 2006. It is expected that the co-operative arrangement will create about 429 jobs for women in local communities.

As part of the nutrition programme's long term goal, the Department established food gardens in all districts that are used for the benefit of schools in the nutrition programme. Some districts have recorded a notable increase in the number of schools that have their own garden, with Obonjeni for example, reporting that almost 40% of schools have started their own gardens. Some districts report that there are still implementation challenges such as the condition of places that are used to prepare food and the lack of support staff dedicated to coordinating the programme. These are already being addressed by the Department.

## **6.3. Challenge of HIV/AIDS**

One of the major challenges for KwaZulu-Natal is the relatively high prevalence rate of HIV/AIDS in the province. According to a recent HIV and AIDS study commissioned by the ELRC, 8 of the 11 districts nationally with a high prevalence rates amongst teachers are in KwaZulu-Natal. This places an onerous task for the Department to further analyse service delivery implications for the future while at the same time ensuring that plans are in place to mitigate the impact of such high prevalence for those learners, educators and managers affected and infected by the virus.

During the year under review, the Department continued to implement the National Integrated Plan for HIV and AIDS. The plan assists the Department in dealing with the challenges presented by the HIV and AIDS pandemic in schools, although some districts still report high incidents of absenteeism among affected learners in particular. In implementing the plan, the Department focused on advocacy and training. Training was provided for master trainers, and peer educators. Learner support material was also developed. Emphasis was also placed on developing institutions to become centres of care and support.

#### **6.4. Keeping our schools safe**

The issue of school safety received prominence following a spate of violent attacks in schools that were reported countrywide during the financial year 2005/6. In an attempt at mitigating violent incidents, the Department drafted a school safety strategy in collaboration with the provincial Social Cluster. School safety road shows were also conducted to obtain input of local communities and districts into the strategy. In recognition of the role that can be played by local communities in school safety some districts have also taken the initiative of working with community structures and other government departments to raise awareness and improve security in schools. Empangeni district has a few areas that have been previously known as "no-go" areas, which invariably affects the safety of schools located in such areas. The district established a successful partnership with SAPS, Spoornet, Teacher Unions, community leaders and other stakeholders, which is already bearing fruit.

The Department has also developed a manual for the training of school security guards to ensure that school guarding would not be conducted as guarding of any other institution. During the period under review, the manual was also used to conduct training workshops for security guards in Kwa-Mashu and Nongoma.

#### **6.5. The Service Delivery Charter**

The Department of Education published its Service Delivery Charter in November 2005 as an indication of its commitment to the citizens of the KwaZulu-Natal. The charter commits the Department, particularly the circuit, district and head offices, to ensuring that its stakeholders are consulted properly, and that there are visible mechanisms for engaging the Department on matters of mutual interest. A report on achievements against these commitments is part of the Oversight Report in Part 2 of the Annual Report.



## **Part 2 Human Resource Management**

## 7. Overview Of Human Resources

In this section of the Annual Report, the Department outlines organisational environment issues and the impact they had on the work of the Department during the year under review. These include the recently approved organisational structure and appointments at top and senior management levels amongst others.

### 7.1. Organisational Restructuring

As indicated in the previous section of this report, the MEC approved the new structure of the Department, which will be progressively implemented over the next three years. The limitations of the old structures were mainly as a result of the five organisational layers above a school that included a ward, circuit, district, region and head office. These layers caused long lines of communication and led to major delays in the decision-making loop. It was also questioned whether all the layers added value to the management and delivery of services to institutions.

The new structure has been designed to improve efficiencies and effectiveness of education service delivery in the province. A total of 12 mega districts have been created, and the region layer has been eliminated. The main function of these districts is to focus on education management, ensure that auxiliary and support services are provided to schools. A cluster of districts will share a service centre that will provide administrative and support services such as human resource and financial management. This model will accelerate processing of payment for newly appointed teachers, amongst other things, and significantly reduce the time lags associated with new appointments.

There is still a significant amount of work that has to be done as the Department implements the new structure. There will be a review of job descriptions and existing structures. The intention is to ensure a separation between human resources dedicated to educational and instructional support and those dedicated to administrative support services. The Department will also hold workshops with key education officials to clarify new roles and responsibilities, and to define parameters of each level of management.



Another change to the structure of the Department was the incorporation of Umzimkhulu into the province of KwaZulu-Natal, following the eradication of cross border municipalities. The Department received an additional 174 schools, 75 289 learners and 2 056 teachers. A significant amount of time was spent on ensuring that the transition was as smooth as possible, particularly on the delivery of services to schools. Chief amongst these services was the allocation of teaching posts through the Post Provisioning Norms and the National School Nutrition Programme.

**The new structure consists of four Branches:**

**Branch: Human Resources and Administrative Services**, whose main function is to provide human resource services, administrative services and services to the MEC and the Superintendent-General.

**Branch: Planning and Support** whose main function is to provide planning support services; curriculum services; quality assurance and assessment services and infrastructure management services. The Branch also takes responsibility for the timely provision of appropriate LTSM to schools. The Branch was created to consolidate and improve the Department's capacity for meaningful planning for the allocation of critical resources.

**Branch: Service Delivery Management** whose main functions include managing education service delivery at education institutions through the District Offices; ensuring effective and efficient functioning of the District Offices and the education institutions; coordinating the communication between the Head Office and the District Offices; managing education service delivery by FET Colleges; and providing specialised support services.

**Branch: Chief Financial Officer** whose main function is to provide financial services; supply chain management services; financial support services; internal control services and all other functions of the Chief Financial Officer as prescribed by the PFMA and Treasury Regulations.

A schematic representation of the structure is in Section 19.

## **7.2. Key Appointments**

Several new appointments were made during the reporting, including that of the Accounting Officer (Superintendent-General), Dr Cassius Lubisi who assumed office in June 2005.

Other substantive appointments include:

- Deputy Director-General: Planning & Support, Mr DT Ndhlovu
- Chief Financial Officer, Mrs Pam Zulu
- Chief Director: Financial Services, Ms Hlengiwe Mcuma

### **7.3. Staff turnaround**

As it can be noted in Table 5.1 below, the Department had a turnover rate of 15.7% during the year under review. In absolute numbers, this represents 13 623 employees. However, it should be noted that the majority of these employees are temporary or contract appointees who would leave naturally at the end of their contracts. These employees constitute 84.4% of the total that left, which is 11 503 employees. This phenomenon is partly created by the Post Provisioning Norms that adjust the allocation of teaching posts to schools based on the learner numbers that are constantly updated.

### **7.4. Disciplinary steps**

A total of 176 cases were taken through the disciplinary processes that ranged from verbal warnings to dismissals. Of the 176 cases, 46 led to dismissals, 6 were fines, and 4 were demotions.

### **7.5. Availability of office space**

The Department still faces the challenge of shortage of office space at head office, district and circuit level. The relocation of the head office Ulundi to Pietermaritzburg in 2004 created immense pressure for the Department to find suitable space for all members of staff. The Head Office of the Department operates from different centres which creates major challenges in managing the operations of the various sections of the Department. The reorganization of the structure of the Department has also placed a strain on available office accommodation. Although we are working closely with the Department of Public Works to solve the problem, there are some districts where the problem is more acute than others.

## 8. Oversight Report

### Service Delivery

**TABLE 1.1 - Main Service for Service Delivery Improvement and Standards**

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Provide access to transformative education to learners in KZN: FET, GET, ABET	Education stakeholders	Business industry and commerce	Service Charter	Risk management reports
	Learners, educators, parents, citizens	Tertiary institutions	Batho Pele	Skills audit report

**TABLE 1.2 - Consultation Arrangements for Customers**

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Imbizo for PPN implementation and determination	School Governing Bodies	Learners	2005 PPN was determined
	Educator unions	Educators	
Imbizo, meetings	Citizens, Parents, School Communities	Learners	<ul style="list-style-type: none"> <li>• Service Provision</li> <li>• Resource redress</li> <li>• Transformation</li> <li>• Justice</li> <li>• Expenditure</li> </ul>

**TABLE 1.3 - Service Delivery Access Strategy**

Access Strategy	Actual Achievements
1. Human resource provision and development	1. Communication
2. Legislation and policy enforcement	2. Redress
3. Consultation	3. Transformation
4. Oversight over line function	4. Allocation of resources

**TABLE 1.4 - Service Information Tool**

Type of Information Tool	Actual Achievements
MEC's Hotline, Suggestion boxes	Queries
	Policy and Legislative enforcements

**TABLE 1.5 - Complaint Mechanism**

Complaint Mechanism	Actual Achievements
1. Grievance Procedure as per Public Service Act	Most of the problems were resolved
2. Chapter G of PAM	
3. Procedure for Educators	
Imbizo, Fax line, Telephone, Meetings	Follow ups

## Expenditure

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)
Programme 1 Administration	832,719	441,727	0	0	53	5
Programme 2 :Public Ordinary Schools	13,109,325	10,695,113	0	0	81.6	118
Programme 3:Independent School Subsidies	45,614	0	0	0	0	0
Programme 4 :Public Special School	274,397	229,785	0	0	83.7	3
Programme 5: Further Education and Training	238,670	166,069	0	0	69.6	2
Programme 6: Adult Basic Education & Training	85,761	78,829	0	0	91.9	1
Programme 7 : Early Childhood Development	61,760	61,016	0	0	98.8	1
Programme 8: Auxiliary & Associated Services	347,145	206,880	0	0	59.6	2
Theft and losses	72	0	0	0	0	0
<b>TOTAL</b>	<b>14,995,438</b>	<b>11,879,395</b>	<b>0</b>	<b>0</b>	<b>79.2</b>	<b>132</b>



TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	191,349	1.6	49,215		3 888
Skilled (Levels 3-5)	746,216	6.2	68,668		10 867
Highly skilled production (Levels 6-8)	8,557,678	71.4	131,764		64 947
Highly skilled supervision (Levels 9-12)	2,238,071	18.7	200,562		11 159
Senior management (Levels 13-16)	34,729	0.3	482,347		72
Other	1,620	0	57,857		28
Contract (Levels 1-2)	270	0	90,000		3
Contract (Levels 3-5)	1,941	0	58,818		33
Contract (Levels 6-8)	264	0	264,000		1
Contract (Levels 9-12)	56	0	56,000		1
Contract (Levels 13-16)	115	0	0		0
Periodical Remuneration	70,724	0.6	10,030		7 051
Abnormal Appointment	36,362	0.3	13,457		2 702
TOTAL	11,879,395	99.1	117,907	11,988,647	100 752

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Programme 1: Administration	302,125	64.7	10,126	2.2	5,530	1.2	22,078	4.7	467,263
Programme 2: Public Ordinary School	8,189,722	75.4	738	0	94,369	0.9	600,384	5.5	10,855,819
Programme 4: Public Special Schools	173,153	74.5	119	0.1	2,838	1.2	12,846	5.5	232,435
Programme 5: Further Education & Training	127,555	75.9	112	0.1	1,815	1.1	7,827	4.7	168,078
Programme 6: Adult Basic Education & Training	6,055	13	6	0	95	0.2	400	0.9	46,586
Programme 7: Early Childhood Development	14,740	27.5	0	0	166	0.3	657	1.2	53,578
Programme 8: Auxiliary & Associated Services	100,727	61.1	8,917	5.4	1,657	1	6,147	3.7	164,797
<b>TOTAL</b>	<b>8,914,077</b>	<b>74.4</b>	<b>20,018</b>	<b>0.2</b>	<b>106,470</b>	<b>0.9</b>	<b>650,339</b>	<b>5.4</b>	<b>11,988,556</b>

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	145,675	75	1,396	0.7	2,214	1.1	9,532	4.9	194,197
Skilled (Levels 3-5)	558,997	74.4	5,058	0.7	4,517	0.6	57,850	7.7	751,051
Highly skilled production (Levels 6-8)	6,497,907	75.5	10,442	0.1	75,573	0.9	483,539	5.6	8,610,353
Highly skilled supervision (Levels 9-12)	1,687,377	74	3,104	0.1	24,043	1.1	98,112	4.3	2,281,657
Senior management (Levels 13-16)	20,684	51.2	-3	0	94	0.2	1,138	2.8	40,369
Other	1,312	80.5	0	0	4	0.2	49	3	1,630
Contract (Levels 1-2)	197	72.7	0	0	1	0.4	32	11.8	271
Contract (Levels 3-5)	1,586	81.3	14	0.7	23	1.2	87	4.5	1,950
Contract (Levels 6-8)	233	87.9	7	2.6	0	0	6	2.3	265
Contract (Levels 9-12)	45	75	0	0	0	0	0	0	60
Contract (Levels 13-16)	64	55.7	0	0	0	0	0	0	115
Periodical Remuneration	0	0	0	0	0	0	0	0	70,239
Abnormal Appointment	0	0	0	0	0	0	0	0	36,490
<b>TOTAL</b>	<b>8,914,077</b>	<b>74.4</b>	<b>20,018</b>	<b>0.2</b>	<b>106,469</b>	<b>0.9</b>	<b>650,345</b>	<b>5.4</b>	<b>11,988,647</b>

## Employment

**TABLE 3.1 - Employment and Vacancies by Programme at end of period**

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Programme 1: Administration, Permanent	3 365	2 903	13.7	64
Programme 2 : Public ordinary school, Permanent	91 000	83 423	8.3	1 840
Programme 2 : Public ordinary school, Temporary	25	25	0	0
Programme 4 : Public special schools, Permanent	2 572	2 252	12.4	26
Programme 5: Further Education & Training, Permanent	2 236	1 521	32	67
Programme 5: Further Education & Training, Temporary	2	2	0	0
Programme 6: Adult Basic Education & Training, Permanent	71	58	18.3	4
Programme 7: Early Childhood Development, Permanent	160	136	15	2
Programme 8: Auxiliary & Associated Services, Permanent	804	679	15.5	15
<b>TOTAL</b>	<b>100 235</b>	<b>90 999</b>	<b>9.2</b>	<b>2 018</b>

**TABLE 3.2 - Employment and Vacancies by Salary Band at end of period**

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	4 580	4 015	12.3	38
Skilled (Levels 3-5), Permanent	5 794	5 256	9.3	53
Skilled (Levels 3-5), Temporary	7	7	0	0
Highly skilled production (Levels 6-8), Permanent	68 997	62 641	9.2	1 836
Highly skilled production (Levels 6-8), Temporary	20	20	0	0
Highly skilled supervision (Levels 9-12), Permanent	20 713	18 947	8.5	70
Senior management (Levels 13-16), Permanent	83	72	13.3	0
Other, Permanent	3	3	0	1
Contract (Levels 1-2), Permanent	4	4	0	0
Contract (Levels 3-5), Permanent	31	31	0	19
Contract (Levels 6-8), Permanent	3	3	0	1
<b>TOTAL</b>	<b>100 235</b>	<b>90 999</b>	<b>9.2</b>	<b>2 018</b>



**TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period**

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	26	20	23.1	0
Agriculture related, Permanent	97	87	10.3	0
Appraisers-valuers and related professionals, Permanent	1	1	0	0
Archivists curators and related professionals, Permanent	2	0	100	0
Artisan project and related superintendents, Permanent	8	8	0	0
Auxiliary and related workers, Permanent	197	161	18.3	0
Boiler and related operators, Permanent	37	20	45.9	0
Building and other property caretakers, Permanent	392	341	13	0
Bus and heavy vehicle drivers, Permanent	98	91	7.1	0
Chaplain and related professionals, Permanent	1	0	100	0
Cleaners in offices workshops hospitals etc., Permanent	2 287	2 040	10.8	29
Cleaners in offices workshops hospitals etc., Temporary	1	1	0	0
Client inform clerks (switchboard reception inform clerks), Permanent	20	18	10	0
Communication and information related, Permanent	9	4	55.6	0
Educationists, Permanent	2 015	1915	5	0
Farm hands and labourers, Permanent	66	57	13.6	1
Farming forestry advisors and farm managers, Permanent	7	5	28.6	0
Finance and economics related, Permanent	6	6	0	0
Financial and related professionals, Permanent	34	27	20.6	0
Financial clerks and credit controllers, Permanent	218	185	15.1	0
Food services aids and waiters, Permanent	119	107	10.1	0
Food services aids and waiters, Temporary	1	1	0	0
Food services workers, Permanent	3	3	0	0
General Legal Administration & related Professionals, Permanent	7	7	0	0
Head of department/chief executive officer, Permanent	586	561	4.3	0
Health sciences related, Permanent	13	11	15.4	0
Household and laundry workers, Permanent	956	812	15.1	7
Household and laundry workers, Temporary	1	1	0	0
Household food and laundry services related, Permanent	5	5	0	0
Housekeepers laundry and related workers, Permanent	134	109	18.7	1
Human resources & organisational development & related professions, Permanent	84	69	17.9	0
Human resources clerks, Permanent	520	450	13.5	25
Human resources related, Permanent	132	111	15.9	1
Identification experts, Permanent	1	1	0	1
Language practitioners interpreters & other communication, Permanent	6	5	16.7	0

**TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period**

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Librarians and related professionals, Permanent	60	56	6.7	0
Librarians and related professionals, Temporary	1	1	0	0
Library mail and related clerks, Permanent	267	217	18.7	2
Library mail and related clerks, Temporary	1	1	0	0
Light vehicle drivers, Permanent	73	61	16.4	0
Logistical support personnel, Permanent	6	4	33.3	0
Material-recording and transport clerks, Permanent	179	158	11.7	0
Messengers porters and deliverers, Permanent	47	46	2.1	0
Motor vehicle drivers, Permanent	4	4	0	0
Motorised farm and forestry plant operators, Permanent	2	2	0	0
Other administrat & related clerks and organisers, Permanent	3 611	3 216	10.9	40
Other administrat & related clerks and organisers, Temporary	22	22	0	0
Other administrative policy and related officers, Permanent	77	66	14.3	0
Other information technology personnel, Permanent	8	7	12.5	0
Other machine operators, Permanent	2	0	100	0
Other occupations, Permanent	34 157	27 940	18.2	1 860
Photographic lithographic and related workers, Permanent	9	9	0	1
Printing and related machine operators, Permanent	11	11	0	0
Professional nurse, Permanent	34	30	11.8	0
Rank: Education specialist (feti), Permanent	84	74	11.9	0
Rank: Education specialist (office-based), Permanent	5	0	100	0
Rank: Education specialist (school-based), Permanent	2 864	2746	4.1	0
Rank: Education specialist chief (office-based), Permanent	33	27	18.2	0
Rank: Education specialist deputy chief (feti), Permanent	8	6	25	0
Rank: Education specialist deputy chief (office-based), Permanent	113	106	6.2	0
Rank: Education specialist senior (feti), Permanent	40	32	20	0
Rank: Education specialist senior (office-based), Permanent	50	42	16	0
Rank: Education therapist (ther/psyc), Permanent	77	50	35.1	0
Rank: Education therapist, Permanent	15	10	33.3	0
Rank: Head of department (s), Permanent	2	2	0	0
Rank: Lecturer (c), Permanent	3	2	33.3	0
Rank: Lecturer (feti), Permanent	426	410	3.8	4
Rank: Lecturer: senior (c), Permanent	1	1	0	1
Rank: Principal (p2), Permanent	12	12	0	0

**TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period**

<b>Critical Occupations</b>	<b>Number of Posts</b>	<b>Number of Posts Filled</b>	<b>Vacancy Rate</b>	<b>Number of Posts Filled Additional to the Establishment</b>
Rank: Principal (p3s3t3ss3), Permanent	102	99	2.9	1
Rank: Principal (p4s4t4ss4), Permanent	33	32	3	0
Rank: Principal (t5), Permanent	1	1	0	0
Rank: Principal deputy (feti), Permanent	9	8	11.1	0
Rank: Principal deputy (school-based), Permanent	963	912	5.3	0
Rank: Principal gr10, Permanent	1 383	1 278	7.6	0
Rank: Principal gr7, Permanent	18	18	0	0
Rank: Principal gr8, Permanent	331	288	13	0
Rank: Principal gr9 (feti), Permanent	1	1	0	0
Rank: Principal gr9, Permanent	2 338	2 151	8	1
Rank: Teacher (school-based), Permanent	43 621	42 700	2.1	42
Secretaries & other keyboard operating clerks, Permanent	256	218	14.8	1
Security guards, Permanent	618	538	12.9	0
Security officers, Permanent	27	22	18.5	0
Senior managers, Permanent	93	80	14	0
Social sciences supplementary workers, Permanent	18	17	5.6	0
Social work and related professionals, Permanent	1	1	0	0
Staff nurses and pupil nurses, Permanent	3	3	0	0
Statisticians and related professionals, Permanent	2	2	0	0
Trade labourers, Permanent	23	19	17.4	0
<b>TOTAL</b>	<b>100 235</b>	<b>90 999</b>	<b>9.2</b>	<b>2 018</b>



## Evaluation

**TABLE 4.1 - Job Evaluation**

Salary Band	Number of Posts	Number of Jobs	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	4 580	0	0	0	0	0	0
Contract (Levels 1-2)	4	0	0	0	0	0	0
Contract (Levels 3-5)	31	0	0	0	0	0	0
Contract (Levels 6-8)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	5 801	273	4.7	1	0.4	0	0
Highly skilled production (Levels 6-8)	69 017	322	0.5	6	1.9	0	0
Highly skilled supervision (Levels 9-12)	20 713	65	0.3	13	20	0	0
Senior Management Service Band A	67	21	31.3	0	0	0	0
Senior Management Service Band B	12	8	66.7	0	0	0	0
Senior Management Service Band C	3	4	133.3	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	3	0	0	0	0	0	0
<b>TOTAL</b>	<b>100 235</b>	<b>693</b>	<b>0.7</b>	<b>20</b>	<b>2.9</b>	<b>0</b>	<b>0</b>

**TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded**

Beneficiaries	African	Asian	Coloured	White	Total
Female	8	0	0	0	8
Male	7	3	1	1	12
Total	15	3	1	1	20
Employees with a Disability	0	0	0	0	0

**TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]**

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Senior Management	1	14	15	Attraction and retaining of skills	1
<b>Total</b>	<b>1</b>				<b>10</b>
Percentage of Total Employment	0				0



**TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]**

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male		0	0	0	0
Total	1	0	0	0	1
Employees with a Disability	0	0	0	0	0

**Employment changes'****TABLE 5.1 - Annual Turnover Rates by Salary Band**

Salary Band	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	3 869	269	165	4.3
Lower skilled (Levels 1-2), Temporary	3	0	0	0
Skilled (Levels 3-5), Permanent	9 995	3 811	3 368	33.7
Skilled (Levels 3-5), Temporary	13	0	2	15.4
Highly skilled production (Levels 6-8), Permanent	62 865	9 692	9 719	15.5
Highly skilled production (Levels 6-8), Temporary	14	0	2	14.3
Highly skilled supervision (Levels 9-12), Permanent	9 676	23	329	3.4
Senior Management Service Band A, Permanent	51	4	3	5.9
Senior Management Service Band B, Permanent	14	1	1	7.1
Senior Management Service Band C, Permanent	2	2	1	50
Other, Permanent	0	30	4	0
Contract (Levels 1-2), Permanent	8	0	3	37.5
Contract (Levels 3-5), Permanent	21	32	20	95.2
Contract (Levels 6-8), Permanent	2	2	3	150
Contract (Band A), Permanent	1	0	1	100
TOTAL	86 534	13 866	13 621	15.7

**TABLE 5.2 - Annual Turnover Rates by Critical Occupation**

Occupation	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	27	1	1	3.7
Agriculture related, Permanent	1	0	0	0
Archivists curators and related professionals, Permanent	1	0	0	0
Artisan project and related superintendents, Permanent	5	0	0	0

**TABLE 5.2 - Annual Turnover Rates by Critical Occupation**

Salary Band	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Auxiliary and related workers, Permanent	123	28	4	3.3
Boiler and related operators, Permanent	34	1	0	0
Building and other property caretakers, Permanent	350	23	14	4
Bus and heavy vehicle drivers, Permanent	90	3	5	5.6
Cleaners in offices workshops hospitals etc., Permanent	2 101	155	92	4.4
Cleaners in offices workshops hospitals etc., Temporary	2	0	0	0
Client inform clerks (switchboard reception inform clerks), Permanent	16	0	0	0
Communication and information related, Permanent	4	0	0	0
Diplomats, Permanent	14	0	0	0
Educationists, Permanent	116	0	1	0.9
Farm hands and labourers, Permanent	46	12	2	4.3
Farming forestry advisors and farm managers, Permanent	4	0	1	25
Finance and economics related, Permanent	4	0	0	0
Financial and related professionals, Permanent	22	1	1	4.5
Financial clerks and credit controllers, Permanent	192	47	10	5.2
Food services aids and waiters, Permanent	78	12	0	0
Food services workers, Permanent	1	0	0	0
General legal administration & rel. professionals, Permanent	5	0	0	0
Head of department/chief executive officer, Permanent	2	0	0	0
Health sciences related, Permanent	3	0	0	0
Household and laundry workers, Permanent	905	42	55	6.1
Household and laundry workers, Temporary	1	0	0	0
Household food and laundry services related, Permanent	2	0	0	0
Housekeepers laundry and related workers, Permanent	13	3	1	7.7
Human resources & organisational development & related professions, Permanent	76	3	3	3.9
Human resources clerks, Permanent	389	71	22	5.7
Human resources related, Permanent	71	4	1	1.4
Identification experts, Permanent	1	0	0	0
Information technology related, Permanent	1	0	0	0
Language practitioners interpreters & other communication, Permanent	5	0	0	0
Legal related, Permanent	3	0	0	0
Librarians and related professionals, Permanent	9	0	0	0
Library mail and related clerks, Permanent	190	10	7	3.7
Library mail and related clerks, Temporary	2	0	0	0
Light vehicle drivers, Permanent	46	7	2	4.3

**TABLE 5.2 - Annual Turnover Rates by Critical Occupation**

Occupation	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Logistical support personnel, Permanent	5	0	0	0
Material-recording and transport clerks, Permanent	100	5	3	3
Messengers porters and deliverers, Permanent	46	5	0	0
Motor vehicle drivers, Permanent	3	2	0	0
Motorised farm and forestry plant operators, Permanent	1	0	0	0
Not available, Permanent	0	2	0	0
Nursing assistants, Permanent	0	0	1	0
Other administrat & related clerks and organisers, Permanent	3 015	271	131	4.3
Other administrat & related clerks and organisers, Temporary	23	0	4	17.4
Other administrative policy and related officers, Permanent	60	1	3	5
Other information technology personnel, Permanent	3	2	0	0
Other occupations, Permanent	77 293	13 087	13 195	17.1
Other occupations, Temporary	2	0	0	0
Photographic lithographic and related workers, Permanent	6	1	0	0
Physiotherapy, Permanent	1	0	0	0
Printing and related machine operators, Permanent	7	0	0	0
Professional nurse, Permanent	27	2	1	3.7
Rank: Education specialist (school-based), Permanent	4	0	0	0
Rank: Education therapist (ther/psyc), Permanent	2	0	0	0
Rank: Lecturer (feti), Permanent	0	0	1	0
Rank: Teacher (school-based), Permanent	14	0	15	107.1
Rank: Unknown, Permanent	40	0	0	0
Secretaries & other keyboard operating clerks, Permanent	207	24	8	3.9
Security guards, Permanent	576	31	30	5.2
Security officers, Permanent	20	0	0	0
Senior managers, Permanent	85	2	7	8.2
Social sciences supplementary workers, Permanent	16	1	1	6.3
Social work and related professionals, Permanent	1	0	0	0
Staff nurses and pupil nurses, Permanent	3	0	1	33.3
Trade labourers, Permanent	19	2	0	0
<b>TOTAL</b>	<b>86 534</b>	<b>13 861</b>	<b>13 623</b>	<b>15.7</b>



**TABLE 5.3 - Reasons why staff are leaving the department**

Termination Type	Number	Percentage of Total Resignations	Resignation as a Percentage of Total Employment
Death, Permanent	486	3.6	0.6
Resignation, Permanent	886	6.5	1
Resignation, Temporary	1	0	0
Expiry of contract, Permanent	11 503	84.4	13.3
Discharged due to ill health, Permanent	216	1.6	0.2
Dismissal-misconduct, Permanent	32	0.2	0
Retirement, Permanent	460	3.4	0.5
Other, Permanent	36	0.3	0
Other, Temporary	3	0	0
	<b>13 623</b>	<b>100</b>	<b>15.7</b>

**TABLE 5.4 - Promotions by Critical Occupation**

Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within	Notch progressions as a % of Employment
Administrative related	27	1	3.7	12	44.4
Agriculture related	1	0	0	0	0
Archivists curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	5	0	0	0	0
Auxiliary and related workers	123	0	0	66	53.7
Boiler and related operators	34	0	0	14	41.2
Building and other property caretakers	350	0	0	181	51.7
Bus and heavy vehicle drivers	90	1	1.1	76	84.4
Cleaners in offices workshops hospitals etc.	2 103	0	0	1 040	49.5
Client inform clerks (switchboard receipt inform clerks)	16	0	0	16	100
Communication and information related	4	4	100	0	0
Diplomats	14	0	0	12	85.7
Educationists.	116	0	0	101	87.1
Farm hands and labourers	46	0	0	25	54.3



**TABLE 5.4 - Promotions by Critical Occupation**

Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Farming forestry advisors and farm managers	4	0	0	2	50
Finance and economics related	4	0	0	2	50
Financial and related professionals	22	4	18.2	15	68.2
Financial clerks and credit controllers	192	5	2.6	149	77.6
Food services aids and waiters	78	0	0	55	70.5
Food services workers	1	0	0	0	0
General legal administration & rel. professionals	5	0	0	3	60
Head of department/chief executive officer	2	0	0	0	0
Health sciences related	3	0	0	0	0
Household and laundry workers	906	2	0.2	529	58.4
Household food and laundry services related	2	0	0	0	0
Housekeepers laundry and related workers	13	0	0	8	61.5
Human resources & organisat developm & relate prof	76	3	3.9	35	46.1
Human resources clerks	389	38	9.8	308	79.2
Human resources related	71	14	19.7	17	23.9
Identification experts	1	0	0	0	0
Information technology related	1	1	100	0	0
Language practitioners interpreters & other commun	5	0	0	2	40
Legal related	3	0	0	0	0
Librarians and related professionals	9	0	0	4	44.4
Library mail and related clerks	192	0	0	149	77.6
Light vehicle drivers	46	0	0	25	54.3
Logistical support personnel	5	1	20	5	100
Material-recording and transport clerks	100	0	0	66	66
Messengers porters and deliverers	46	0	0	29	63
Motor vehicle drivers	3	0	0	2	66.7
Motorised farm and forestry plant operators	1	0	0	1	100
Other administrat & related clerks and organisers	3 038	16	0.5	1 728	56.9

**TABLE 5.4 - Promotions by Critical Occupation**

Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Other administrative policy and related officers	60	2	3.3	37	61.7
Other information technology personnel.	3	1	33.3	2	66.7
Other occupations	77 295	932	1.2	59 754	77.3
Photographic lithographic and related workers	6	0	0	6	100
Physiotherapy	1	0	0	1	100
Printing and related machine operators	7	0	0	4	57.1
Professional nurse	27	0	0	20	74.1
Rank: Education specialist (school-based)	4	0	0	2	50
Rank: Education therapist (ther/psyc)	2	0	0	0	0
Rank: Teacher (school-based)	14	0	0	12	85.7
Rank: Unknown	40	0	0	0	0
Secretaries & other keyboard operating clerks	207	3	1.4	136	65.7
Security guards	576	0	0	309	53.6
Security officers	20	0	0	14	70
Senior managers	85	3	3.5	28	32.9
Social sciences supplementary workers	16	0	0	13	81.3
Social work and related professionals	1	0	0	0	0
Staff nurses and pupil nurses	3	0	0	1	33.3
Trade labourers	19	0	0	12	63.2
<b>TOTAL</b>	<b>86 534</b>	<b>1 031</b>	<b>1.2</b>	<b>65 028</b>	<b>75.1</b>

**TABLE 5.5 - Promotions by Salary Band**

Salary Band	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	3 869	0	0	2 011	52
Lower skilled (Levels 1-2), Temporary	3	0	0	2	66.7
Skilled (Levels 3-5), Permanent	9 995	10	0.1	7 020	70.2
Skilled (Levels 3-5), Temporary	13	0	0	5	38.5
Highly skilled production (Levels 6-8),	62 865	661	1.1	48 066	76.5

TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Permanent					
Highly skilled production (Levels 6-8), Temporary	14	0	0	13	92.9
Highly skilled supervision (Levels 9-12), Permanent	9 676	352	3.6	7 871	81.3
Senior management (Levels 13-16), Permanent	67	8	11.9	17	25.4
Other, Permanent	0	0	0	3	0
Contract (Levels 1-2), Permanent	8	0	0	4	50
Contract (Levels 3-5), Permanent	21	0	0	16	76.2
Contract (Levels 6-8), Permanent	2	0	0	0	0
Contract (Levels 13-16), Permanent	1	0	0	0	0
<b>TOTAL</b>	<b>86 534</b>	<b>1 031</b>	<b>1.2</b>	<b>65 028</b>	<b>75.1</b>



**Employment Equity****TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)**

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	40	1	3	44	8	33	0	3	36	2	90
Professionals, Permanent	21 089	336	2 994	24 419	918	47 480	754	5 572	53 806	2 762	81 905
Clerks, Permanent	762	10	254	1 026	15	2 232	66	569	2 867	414	4 322
Clerks, Temporary	0	0	0	0	0	0	1	2	3	19	22
Service and sales workers, Permanent	521	8	12	541	2	50	0	4	54	5	602
Craft and related trades workers, Permanent	9	0	0	9	1	2	0	0	2	0	12
Plant and machine operators and assemblers, Permanent	104	4	59	167	2	10	1	0	11	0	180
Elementary occupations, Permanent	1 855	32	84	1 971	35	1 456	64	175	1 695	123	3 824
Elementary occupations, Temporary	0	0	1	1	0	2	1	1	4	0	5
Other, Permanent	13	0	0	13	0	18	2	3	23	1	37
TOTAL	24 393	391	3 407	28 191	981	51 283	889	6 329	58 501	3 326	90 999
Employees with disabilities	0	0	2	2	0	2	0	1	3	0	5



TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	3	0	0	3	0	0	0	2	0	5
Senior Management, Permanent	33	6	40	7	15	0	3	18	2	67
Professionally qualified and experienced specialists and mid-management, Permanent	4 456	1 132	5 698	454	3 283	99	900	4 282	725	11 159
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14 062	1 981	16 276	451	40 351	661	4 869	45 881	2 299	64 907
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	1	1	11	12
Semi-skilled and discretionary decision making, Permanent	3 528	222	3 773	47	6 292	89	389	6 770	259	10 849
Semi-skilled and discretionary decision making, Temporary	0	1	1	0	0	1	2	3	8	12
Unskilled and defined decision making, Permanent	2 276	65	2 365	20	1 288	34	159	1 481	15	3 881
Unskilled and defined decision making, Temporary	0	0	0	0	2	1	0	3	0	3
Not Available, Permanent	25	0	25	0	35	2	3	40	1	66
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	1	1
Contract (Skilled technical), Permanent	0	0	0	0	1	0	0	1	0	1
Contract (Semi-skilled), Permanent	9	0	9	2	12	2	3	17	5	33
Contract (Unskilled), Permanent	1	0	1	0	2	0	0	2	0	3
TOTAL	24 393	3 407	28 191	981	51 283	889	6 329	58 501	3 326	90 999

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	1	0	0	1	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	4	1	0	5	6	2	2	0	4	9	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1 792	20	145	1 957	66	6 908	51	722	7 681	414	10 118
Semi-skilled and discretionary decision making, Permanent	1 559	4	154	1 717	19	1 974	31	368	2 373	81	4 190
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	0	0	0	1	1
Unskilled and defined decision making, Permanent	138	1	3	142	5	116	5	10	131	1	279
Not Available, Permanent	13	0	1	14	1	12	0	0	12	2	29
Contract (Skilled technical), Permanent	0	0	0	0	0	2	0	0	2	0	2
Contract (Semi-skilled), Permanent	17	0	0	17	0	15	0	0	15	0	32
<b>TOTAL</b>	<b>3 524</b>	<b>26</b>	<b>303</b>	<b>3 853</b>	<b>97</b>	<b>9 030</b>	<b>89</b>		<b>10 219</b>	<b>508</b>	<b>14 677</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Senior Management, Permanent	8	0	2	10	3	7	0	1	8	1	22
Professionally qualified and experienced specialists and mid-management, Permanent	3 644	73	738	4 455	282	2 699	69	397	3 165	402	8 304
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	10 772	175	1 632	12 579	315	30 149	502	3 784	34 435	1 627	48 956
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	0	1	1	12	13
Semi-skilled and discretionary decision making, Permanent	2 217	12	115	2 344	19	4 332	63	191	4 586	107	7 056
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	1	1	2	3	5
Unskilled and defined decision making, Permanent	1 056	20	54	1 130	4	717	24	136	877	3	2 014
Unskilled and defined decision making, Temporary	0	0	0	0	0	2	0	0	2	0	2
Not Available, Permanent	1	0	1	2	0	0	0	0	0	0	2
Contract (Semi-skilled), Permanent	0	0	0	0	2	6	3	3	12	2	16
Contract (Unskilled), Permanent	0	0	0	0	0	2	2	0	4	0	4
TOTAL	17 700	280	2 542	20 522	625	37 915	664	4 514	43 093	2 157	66 397
Employees with disabilities	0	0	0	0	0	1	0	0	1	0	1



TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	1	0	0	0	0	0	1
Senior Management, Permanent	3	1	1	5	0	1	0	0	1	0	6
Professionally qualified and experienced specialists and mid-management, Permanent	112	6	33	151	27	110	6	22	138	36	352
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1 617	19	173	1 809	79	6 259	53	711	7 023	422	9 333
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	0	0	0	2	2
Semi-skilled and discretionary decision making, Permanent	1 167	2	123	1 292	12	1 328	20	307	1 655	63	3 022
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	0	0	0	2	2
Unskilled and defined decision making, Permanent	111	1	3	115	3	51	1	8	60	5	183
Not Available, Permanent	4	0	0	4	0	1	0	0	1	0	5
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	0	0	1	1	0	2	0	0	2	0	3
Contract (Semi-skilled), Permanent	12	0	0	12	0	6	1	0	7	0	19
Contract (Unskilled), Permanent	0	0	0	0	0	1	2	0	3	0	3
<b>TOTAL</b>	<b>3 027</b>	<b>29</b>	<b>334</b>	<b>3 390</b>	<b>122</b>	<b>7 759</b>	<b>83</b>	<b>1 048</b>	<b>8 890</b>	<b>530</b>	<b>12 932</b>



TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
No outcome	85	3	28	116	4	46	0	5	51	5	176
<b>TOTAL</b>	<b>85</b>	<b>3</b>	<b>28</b>	<b>116</b>	<b>4</b>	<b>46</b>	<b>0</b>	<b>5</b>	<b>51</b>	<b>5</b>	<b>176</b>

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	21	1	2	0	1	8	0	0	0	0	34
Professionals	4 008	416	964	0	860	3 709	423	931	0	1 069	12 380
Technicians and Associate Professionals	673	0	83	0	13	1 017	13	94	0	29	1 922
Clerks	1 053	87	290	0	19	1 360	110	129	0	74	3 122
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	1 326	7	15	0	3	1 463	1	13	0	7	2 835
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>7 081</b>	<b>511</b>	<b>1 354</b>	<b>0</b>	<b>896</b>	<b>7 557</b>	<b>547</b>	<b>1 168</b>	<b>0</b>	<b>1 179</b>	<b>20 295</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Performance

**TABLE 7.1 - Performance Rewards by Race, Gender and Disability**

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	0	51 281	0	0	0
African, Male	7	24 393	0	121	17,214
Asian, Female	4	6 328	0.1	39	9,625
Asian, Male	0	3 405	0	0	0
Coloured, Female	0	889	0	0	0
Coloured, Male	0	391	0	0	0
Total Blacks, Female	4	58 498	0	39	9,625
Total Blacks, Male	7	28 189	0	121	17,214
White, Female	2	3 326	0.1	24	11,942
White, Male	0	981	0	0	0
Employees with a disability	0	5	0	0	0
<b>TOTAL</b>	<b>13</b>	<b>90 999</b>	<b>0</b>	<b>183</b>	<b>14,068</b>

**TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service**

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	1	3 888	0	5	5,000
Skilled (Levels 3-5)	0	10 867	0	0	0
Highly skilled production (Levels 6-8)	8	64 947	0	86	10,750
Highly skilled supervision (Levels 9-12)	1	11 159	0	9	9,000
Other	0	28	0	0	0
Contract (Levels 1-2)	0	3	0	0	0
Contract (Levels 3-5)	0	33	0	0	0
Contract (Levels 6-8)	0	1	0	0	0
Contract (Levels 9-12)	0	1	0	0	0
Periodical Remuneration	0	7 051	0	0	0
Abnormal Appointment	0	2 702	0	0	0
<b>TOTAL</b>	<b>10</b>	<b>100 680</b>	<b>0</b>	<b>100</b>	

*The total employment figure includes 9 819 contract, abnormal and periodical employees who are not entitled to any performance reward*

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	0	27	0	0	0
Agriculture related	0	1	0	0	0
Artisan project and related superintendents	0	5	0	0	0
Auxiliary and related workers	0	141	0	0	0
Boiler and related operators	0	30	0	0	0
Building and other property caretakers	0	346	0	0	0
Bus and heavy vehicle drivers	0	89	0	0	0
Cleaners in offices workshops hospitals etc.	0	2141	0	0	0
Client inform clerks(switchb receipt inform clerks)	0	16	0	0	0
Communication and information related	0	3	0	0	0
Diplomats	0	14	0	0	0
Educationists.	0	98	0	0	0
Farm hands and labourers	0	54	0	0	0
Farming forestry advisors and farm managers	0	3	0	0	0
Finance and economics related	0	4	0	0	0
Financial and related professionals	0	23	0	0	0
Financial clerks and credit controllers	1	216	0.5	13	13,000
Food services aids and waiters	0	93	0	0	0
Food services workers	0	1	0	0	0
General legal administration & rel. professionals	0	5	0	0	0
Head of department/chief executive officer	0	2	0	0	0
Health sciences related	0	2	0	0	0
Household and laundry workers	1	873	0.1	5	5,000
Household food and laundry services related	0	2	0	0	0
Housekeepers laundry and related workers	0	18	0	0	0
Human resources & organisat developm & relate prof	1	69	1.4	11	11,000
Human resources clerks	0	438	0	0	0
Human resources related	1	79	1.3	9	9,000
Information technology related	0	1	0	0	0



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**TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service**

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R)
Band A	3	50	6	83	2 767	0.3	29 777
Band B	0	17	0	0	0	0	0
Band C	0	4	0	0	0	0	0
Band D	0	1	0	0	0	0	0
<b>TOTAL</b>	<b>3</b>	<b>72</b>	<b>4.2</b>	<b>83</b>	<b>2 767</b>	<b>0.3</b>	<b>29 777</b>

## Foreign Workers

**TABLE 8.1 - Foreign Workers by Salary Band**

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Skilled (Levels 3-5)	10	7.2	17	11.1	7	50
Highly skilled production (Levels 6-8)	95	68.3	98	64.1	3	21.4
Highly skilled supervision (Levels 9-12)	16	11.5	20	13.1	4	28.6
Senior management (Levels 13-16)	1	0.7	0	0	-1	-7.1
Periodical Remuneration	15	10.8	18	11.8	3	21.4
Abnormal Appointment	2	1.4	0	0	-2	-14.3
<b>TOTAL</b>	<b>139</b>	<b>100</b>	<b>153</b>	<b>100</b>	<b>14</b>	<b>100</b>

**TABLE 8.2 - Foreign Workers by Major Occupation**

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Administrative office workers	5	3.6	5	3.3	0	0
Elementary occupations	1	0.7	2	1.3	1	7.1
Other occupations	3	2.2	0	0	-3	-21.4
Professionals and managers	1	0.7	0	0	-1	-7.1
Rank: principal gr10	129	92.8	146	95.4	17	121.4
<b>TOTAL</b>	<b>139</b>	<b>100</b>	<b>153</b>	<b>100</b>	<b>14</b>	<b>100</b>

## Leave

TABLE 9.1 - Sick Leave for Jan 2005 to Dec 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	10 283	78.3	1 423	4.1	7	1,492	8 055
Skilled (Levels 3-5)	24 251	79.9	3 283	9.4	7	4,763	19 388
Highly skilled production (Levels 6-8)	182 064	74.6	25 608	73.6	7	67,149	135 753
Highly skilled supervision (Levels 9-12)	29 441	74.2	4 420	12.7	7	16,690	21 857
Senior management (Levels 13-16)	123	84.6	22	0.1	6	223	104
Other	57	78.9	5	0	11	6	45
Contract (Levels 1-2)	12	100	2	0	6	2	12
Contract (Levels 3-5)	72	48.6	15	0	5	14	35
Contract (Levels 9-12)	17	100	1	0	17	8	17
Not Available	1	0	1	0	1	0	0
<b>TOTAL</b>	<b>246 321</b>	<b>75.2</b>	<b>34 780</b>	<b>100</b>	<b>7</b>	<b>90 347</b>	<b>185 266</b>

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2005 to Dec 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	3 216	99.9	107	4.3	30	473	3 212
Skilled (Levels 3-5)	6 488	99.6	223	8.9	29	1,303	6 463
Highly skilled production (Levels 6-8)	61 534	99.6	1 866	74.8	33	23,361	61 264
(Levels 9-12)	11 484	99.8	299	12	38	6,353	11 459
<b>TOTAL</b>	<b>82 722</b>	<b>99.6</b>	<b>2 495</b>	<b>100</b>	<b>33</b>	<b>31 490</b>	<b>82 398</b>

**TABLE 9.3 - Annual Leave for Jan 2005 to Dec 2005**

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	16 416.6	10	1 671
Skilled (Levels 3-5)	23 348.6	9	2 558
Highly skilled production (Levels 6-8)	55 642.4	5	10 291
Highly skilled supervision (Levels 9-12)	28 028.7	10	2 898
Senior management (Levels 13-16)	1 106	16	70
Other	36	6	6
Contract (Levels 1-2)	15	8	2
Contract (Levels 3-5)	125	7	18
Contract (Levels 6-8)	2	2	1
Contract (Levels 9-12)	14	14	1
<b>TOTAL</b>	<b>124 734</b>	<b>7</b>	<b>17 516</b>

**TABLE 9.4 - Capped Leave for Jan 2005 to Dec 2005**

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2005	Number of Employees as at 31 December 2005
Lower skilled (Levels 1-2)	151	4		40	199289	3073
Skilled (Levels 3-5)	3231	4	53	865	348012	6543
8)	29849	3		8,723	2732402	45969
Highly skilled supervision (Levels 9-12)	8611	4	86	1,960	934691	10930
Senior management (Levels 13-16)	7	4		2	6607	48
<b>TOTAL</b>	<b>41849</b>	<b>4</b>	<b>63</b>	<b>11590</b>	<b>4221001</b>	<b>66563</b>

**TABLE 9.5 - Leave Payouts**

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	141	18	7833
Capped leave payouts on termination of service for 2005/06	11,580	2,603	4449
Current leave payout on termination of service for 2005/06	42	12	3500
<b>TOTAL</b>	<b>11763</b>	<b>2633</b>	<b>4468</b>

**HIV****TABLE 10.1 - Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
xxx	xxx
xxx	xxx



**TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.			
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		EAP: 3 Senior Practitioners, Asst and Dep Manager.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		Preventative programme, HIV/AIDS education workshops...
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.			
6. Has the department introduced measures to protect HIV- positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		No	
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		HIV/AIDS Workshops
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Questionnaires not yet effective

## Labour Relations

**TABLE 11.1 - Collective Agreements**

Subject Matter	Date
Affirmative action	2005
Procedure for the filling of Educator posts at FET Colleges	2005
Procedure for the filling of Office-based promotion posts	2005

**TABLE 11.2 - Misconduct and Discipline Hearings Finalised**

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Corrective counseling	0	0	0
Verbal warning	0	0	0
Written warning	14	7.95	14
Serious written warning	0	0	0
Final written warning	11	6.25	11
Suspended without pay	20	11.36	20
Fine	6	3.4	6
Demotion	4	2.27	4
Dismissal	46	26.13	46
Not guilty	17	9.65	17
Case withdrawn	58	32.95	58
<b>TOTAL</b>	<b>176</b>		<b>176</b>

**TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings**

Type of misconduct	Number	% of total
Fake qualifications	9	7.6
Sexual assault	12	10.1
Sexual relationship	5	4.2
Absenteeism	14	11.76
Dishonesty	9	7.5
Mismanagement of funds	9	7.5
Improper conduct	4	3.3
Corporal punishment	7	5.8
Insubordination	11	9.2
Fraud	9	12.5
Assault	8	6.7
Maladministration	1	0.8
Misuse of state vehicles	3	2.5
Fraud relating to exams	2	1.7
Negligence	2	1.7
Alcohol abuse	2	1.7
Theft	7	5.8
Prejudice to image of Department	1	0.8
Use of improper language	1	0.8
Disturbing smooth running of examinations	1	0.8
Falsification of records	1	0.8
<b>TOTAL</b>	<b>118</b>	<b>100</b>

**TABLE 11.4 - Grievances Lodged**

Number of grievances addressed	Number	% of total
Resolved	62	69.7
Not resolved	27	30.3
<b>TOTAL</b>	<b>89</b>	<b>100</b>

**TABLE 11.5 - Disputes Lodged**

Number of disputes addressed	Number	% of total
Upheld	263	94.6
Dismissed	15	5.4
<b>Total</b>	<b>278</b>	<b>100</b>

**TABLE 11.6 - Strike Actions**

Strike Actions	
Total number of person working days lost	0
Total cost(R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**TABLE 11.7 - Precautionary Suspensions**

Precautionary Suspensions	
Number of people suspended	25
Number of people whose suspension exceeded 30 days	25
Average number of days suspended	0
Cost (R'000) of suspensions	0

## Skills Development

TABLE 12.1 - Training Needs identified						
Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	21	0	0	0	0
	Male	48	0	0	0	0
Professionals	Female	54 901	5 795	48 883	0	54 678
	Male	24 304	2 096	22 146	0	24 242
Technicians and associate professionals	Female	422	0	415	0	415
	Male	332	0	330	0	330
Clerks	Female	3 311	0	3 200	0	3 200
	Male	1 139	0	1 100	0	1 100
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	1 726	1 500	1 500	0	3 000
	Male	2 532	2 500	2 500	0	5 000
Gender sub totals	Female	60 381	7 295	53 998	0	61 293
	Male	28 355	4 596	26 076	0	30 672
<b>TOTAL</b>		<b>88 736</b>	<b>11 891</b>	<b>80 074</b>	<b>0</b>	<b>91 965</b>



TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	502	54 709	0	55 211
	Male	0	192	23 973	0	24 165
Technicians and associate professionals	Female	0	0	708	0	708
	Male	0	0	546	0	546
Clerks	Female	0	0	1 244	0	1 244
	Male	0	0	519	0	519
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	1 106	0	1 106
	Male	0	0	906	0	906
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	263	0	263
	Male	0	0	326	0	326
Gender sub totals	Female	0	502	58 030	0	58 532
	Male	0	192	26 270	0	26 462
<b>TOTAL</b>		<b>0</b>	<b>694</b>	<b>84 300</b>	<b>0</b>	<b>84 994</b>

## Injury

**TABLE 13.1 - Injury on Duty**

Nature of injury on duty	Number	% of total
Required basic medical attention only	77	55.4
Temporary Total Disablement	42	30.2
Permanent Disablement *	14	10.1
Fatal **	6	4.3
<b>TOTAL</b>	<b>139</b>	<b>100</b>

\* Permanent disablement: Injuries due to accidents, some of these employees are no longer with the Department but the Department is still paying for their medical bills for these employees because their cases were brought late to the attention of the Department.

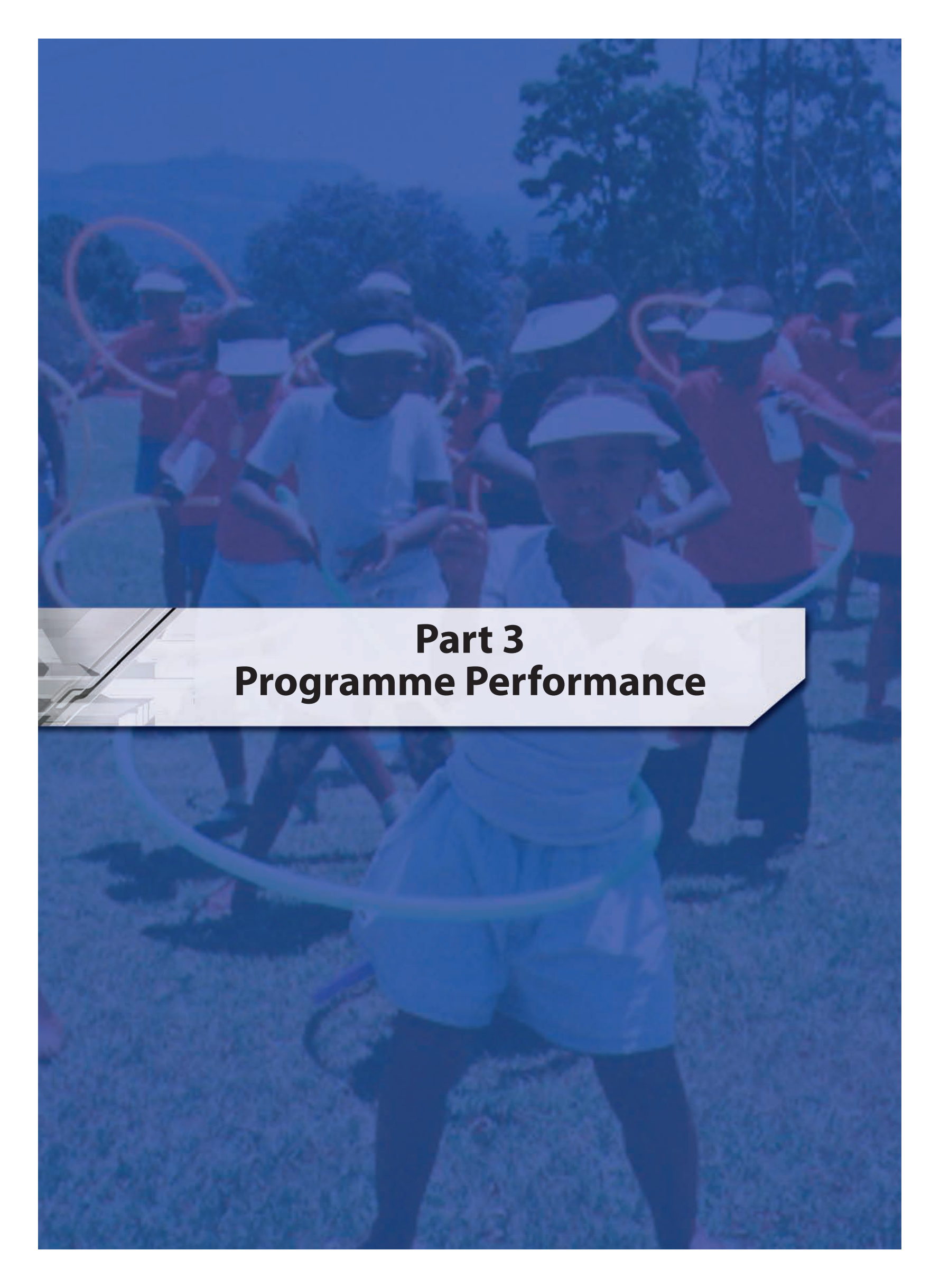
\*\* Fatal: Are employees involved in car accidents ranging from previous years.

## Consultants

**TABLE 14.1 - Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Administrative Services			R 3,605,434.59
Corporate Services			R 193,800.00
Education Planning & Management			R 20,107.89
Executive Support Services			R 19,600.00
Finance Majuba College			R 523,649.00
Legal Services			R 77,374.54
Mnambithi FET College			R 596,854.48
Othukela District			R 300,000.00
PGSES			R 402,935.31
Quality Assurance Majuba College			R 61,110.00
Security Services			R 326,445.41
Teacher Development			R 547,100.00
<b>TOTAL</b>			<b>R 6,674,411.22</b>

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
40			<b>R 6,674,411.22</b>



## **Part 3**

# **Programme Performance**



## 9. Aim Of The Vote

The aim of the vote of the KwaZulu-Natal Department of Education is derived for the Department's mandate by the Constitution of the Republic of South African to provide public general and further education and training to learners in all age groups in the province. This mandate is discharged through the eight programmes of the Department. In this section of the report, the Department provides information on key programme achievements for the reporting period as required.

### 9.1. Overview and key policy developments

During the period under review, the Department continued to implement policies of national and provincial importance. Of particular note, were the implementation of no-fee schools initiative, the implementation of the National Curriculum Statement in Grade 10 and pilot project on learner transport. In addition, the Department continued implementing a provincial initiative of ensuring that all schools in the province offer IsiZulu as a subject. Achievements in relation to these policy initiatives are outlined below.

### 9.2. Declaration of no-fee schools

Following months of extensive consultation the Education Laws Amendment Bill was passed in parliament towards the end of 2005. The Bill sought to amend the South African Schools Act (SASA) No. 84 of 1996 and enable the Department to declare some schools "no-fee" to ensure that the poorest learners were not denied access to basic education because of their inability to pay school fees. This amendment was in support of an existing provision for school fee exemption, provided for in SASA, which had increasingly showed signs that it was not having the desired effect.

Other than the fact that provinces were expected to begin implementing the policy by January 2007, there were no hard targets set at national level and there was no stipulated expenditure in rands per learner. Notwithstanding, the KwaZulu-Natal Department of Education declared 1 346 schools no-fee with effect from 1 January 2006. These schools will no longer require learners to pay school fees of any kind.

### **9.3. Implementation of NCS in Grade 10**

The implementation of the National Curriculum Statement in Grades 10 is a major milestone in the ongoing transformation of the curriculum in this country. In January 2006 the KwaZulu-Natal Department of Education, as did the rest of the provincial departments, began implementing the National Curriculum Statement in Grade 10. Extensive consultation and orientation workshops had been ongoing since the pronouncement of the National Curriculum Statement as policy by the Minister of Education in 2004. The actual training of teachers began in 2005 in the province, except for the recently incorporated Umzimkhulu schools where the training was conducted in early 2006.

As part of the preparatory work, the Department had undertaken a special survey to determine the subject offerings of each school, the subject choices offered to learners as well as the future intentions of the schools with regard to curriculum redress.

At the beginning of the academic year 2006, the Department conducted a snap survey to establish implementation challenges that had been encountered by affected schools in order to improve support and training provided to schools. All indications were that schools were indeed implementing the new curriculum, although some were experiencing more challenges than others. District and circuit officials are working tirelessly to improve the situation where difficulties do exist.

### **9.4. Roll-out of IsiZulu**

After considerable preparatory work and broad advocacy; the Department is encouraged by the notable increase in the number of schools that have responded to the MEC's call for province-wide offering of isiZulu as a subject. Most districts have reported an upward trend in the provision of isiZulu, with only a few citing difficulties of getting suitably qualified teachers as the reasons for non-implementation. In Obonjeni district for example, out of five schools that were not offering IsiZulu, only one school is outstanding.

### 9.5. Pilot Project on provision of Learner Transport

The Department identified a need to improve access to education opportunities, particularly for children in rural areas and other remote locations, while at the same time rationalizing the use of existing facilities and consolidating farm schools. As a result, the Department was quite keen on participating in the national pilot project on provision of learner transport. The pilot has been initiated within each Region to assess the viability of learner transport within a budget of R1,5 million. In one district the Department is transporting learners from the Welbedacht Township, an informal settlement that resulted out of growing demand for housing, to Beacon Ridge Primary Schools which had under utilised learning spaces.

## 10. Programme 1: Administration

### 10.1. Purpose of the programme

The purpose of Programme 1 is to provide for the Executive Authority and the overall management of the Department.

### 10.2. Sub programmes

Programme 1 has the following sub programmes:

- Office of the MEC
- Education Management

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 1.A.a: Number of schools with Section 21 status (Percentages)	53%	42%	47%	NA	5
PM 1.A.b: Number (%) of recurrent non-personnel funding being channeled through the School Funding Norms	31%	32%	31%	NA	1
PM 1.B.a: Average real per learner allocation for recurrent non-personnel items using funding supplied via the School Funding Norms	R300	R325	R300	R25	92.31
PM 1.B.b: Number/ (%) of non-Section 21 schools with all LSMs and other required materials delivered on day one of the school year	60%	100%	(data not available)	NA	40
PM 1.C: Number of Years input in Senior Certificate/FETC graduate	14	13	(data not available)	1	NA



#### **10.4. Specific challenges and responses**

##### **Challenge 1: Non-free schools**

The declaration of some of the schools as no-fee schools posed a challenge in terms of the precedence and the strain on limited resources.

##### **Response to challenge 1**

The resource requirements for these schools will be analysed and a credible budget will be set aside for all no-fee schools. This is a policy imperative that the department has to comply with, to ensure access to education by learners from disadvantaged communities. On average this will have a significant increase in the real per learner allocation.

##### **Challenge 2: Delivery of learner support material**

During the year under review the Department implemented a new system of procurement and delivery of LTSM. Due to the magnitude of the task and the tight time frames that the implementing agents had to meet, the Department was not able to meet targets of delivering material to all non-Section 21 schools by the first school day.

##### **Response to challenge 2:**

A thorough review and evaluation of the all processes involved in the chain will be undertaken in the next financial. The intention is to use the lessons learnt to conduct adequate planning, identify risk areas and to develop mitigation strategies.

#### **10.5. Issues requiring ongoing attention**

- Delivery of learner support material
- Applications and graduating of section 20 schools to section 21
- Real per learner allocation

# 11. Programme 2: Public Ordinary Schools

## 11.1. Purpose of the programme

The purpose of Programme 2 is to provide public ordinary education for Grades 1 to 12 in accordance with the South African Schools Act.

## 11.2. Sub programmes

During the period under review, Programme 2 had the following three sub programmes:

- Public primary phase
- Public secondary phase
- Professional services

## 11.3. Outputs and service delivery trends: Sub-programme 2.1: Public primary phase

The objective of sub programme 2.1 is to provide specific public primary ordinary schools with resources required for the Grades 1 to 7.

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 2.1.A: Number of spaces provided in the public primary phase	1.69m	1.745	1.73m	10 000	0.9
PM 2.1.B.a: Number of educators provided at the public primary phase	45 781	47 318	46 054	1 264	2.67
PM 2.1.B.b: Learner: Educator ratio in the public primary phase	34.9:1	34.0:1	34.9:1	0.9	NA
PM 2.1.C.a: Number of new classrooms built	906	1 192	1 200	8	100.67
PM 2.1.C.b: Learner: Classroom ratio in the public primary phase	40.5:1	39.6:1	40.2:1	0.6	NA
PM 2.1.C.c: Number of new toilets built.	1 810	1 810	2 200	390	121.55
PM 2.1.C.d: Number /( Percentage) of schools with water supply	72%	74%	80%	NA	6
PM 2.1.C.e: Amount / percentage of capex budget spent on maintenance	8%	25%	8%	NA	17
PM 2.1.D.a: Gender parity index in public primary schools	0.95:1	0.96:1	0.95:1	0.1	NA
PM 2.1.D.b: Number/ % of learners in public primary schools who are disabled	2.0%	2.6%	No data	NA	NA
PM 2.1.D.c: Number of ordinary full-service schools per 100,000 learners at the primary phase.	1.0%	3.5	1.0	2.5	71.43

PM 2.1.E.a: Number/% of learner days lost due to learner absenteeism in the primary phase	2.5%	2.0%	2.5%	NA	0.5
PM 2.1.E.b: Number / percentage of working days lost due to educator absenteeism in the primary phase.	6.0%	3.0%	6.0%	NA	3.0
PM 2.1.F: Average hours of development activities per educator in the primary phase	80	80	80	0	-
PM 2.1.G.a: Repetition percentage in the primary phase	5.9%	5.5%	4.6%	NA	11
PM 2.1.G.b: Dropout numbers (percentages) in the primary phase	4.0%	3.0%	No data	NA	-
PM 2.1.H.a: Number/ percentage of learners in Grade 3 attaining acceptable outcomes in numeracy, literacy and life skills	55%	57%	46%	NA	11
PM 2.1.H.b: Number / percentage of learners in Grade 6 attaining acceptable outcomes in numeracy, literacy and life skills.	55%	58%	35%	-	23

#### 11.4. Specific Sub-programme 2.1 challenges and responses

##### Challenge 1: Safety and security of schools

In some areas teachers are still victims of thugs, schools are vandalised and drug trafficking is rife.

##### Response to Challenge 1

The Department is strengthening working relationships with the Department of Safety and Community liaison, as well as other community structures that have been established to support government in the fight against crime and to create safe communities.

##### Challenge 2: Shortage of accommodation for grade R

Some primary schools do not have enough classroom space to provide Grade R classes. The extent of the problem is currently being quantified.

##### Response to challenge 2

An infrastructure development plan is in place, and the Department of Works has been commissioned to build additional classrooms to cater for grade R learners.

##### Challenge 3: Transport for learners

The issue of learners walking long distances to access education still remains a challenge in some parts of the province, particularly in rural areas. Such long distances are likely to have a negative effect on the learners' academic performance, particularly for the younger age groups in primary schools. Children also become victims of road accidents.

**Response to challenge 3:**

As indicated earlier in the report, the Department is currently piloting a learner transport project that seeks to address the challenge of long distances walked by some learners. However, the Department is trying to address the problem as part of a comprehensive infrastructure planning programme that includes an examination of ways of optimal use of available learning spaces, and rationalization of farm and small schools.

**11.5. Issues requiring ongoing attention**

- Delivery of learner support material
- Educator and learner absenteeism
- Delivery of primary school nutrition programme
- Filling of posts, for GET and specialists, such as speech therapists, occupational therapist, etc.

**11.6. Outputs and service delivery trends: Sub-programme 2.2: Public secondary phase**

The objective of sub programme 2.2 is to provide specific public secondary ordinary schools with resources required for Grades 8 to 12.

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 2.2.A: Number of spaces provided in the public secondary phase	925 777	1000 000	930 942	(69 058)	6.90
PM 2.2.B.a: Number of educators provided at the public secondary phase	28 671	29 576	27 478	2 098	7.09
PM 2.2.B.b: Learner: Education ratio in the public secondary phase	34.9:1	33.8:1	34.9:1	1.10	NA
PM 2.2.C.a: Number of new classrooms built.	247	308	371	63	120.45
PM 2.2.C.b: Learner: Classroom ratio in the public secondary phase.	38.3:1	37.8:1	38.3:1	0.5	NA
PM 2.2.C.c: Number of new toilets built	918	690	801	111	116.09
PM 2.2.C.d: Number / Percentage of schools with a water supply	72%	74%	59.5%	NA	14.5
PM 2.2.C.e: Amount of capex budget spent on maintenance	35%	33%	35%	NA	2
PM 2.2.C.f: Number /percentage of secondary schools with functioning science laboratories.	60%	61%	60%	NA	1
PM 2.2.D.a: Gender parity index in public ordinary schools	0.95:1	1:0.96	0.95:1	0.01	NA
PM 2.2.D.b: Number of learners in public ordinary schools who are disabled	Not available	Not planned	NA	NA	NA
PM 2.2.E.a: Number/ percentage of learner days lost due to learner absenteeism in the secondary phase	9%	5%	9%	NA	4



Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 2.2.E.b: Number of working days lost due to educator absenteeism in the secondary phase	6%	3%	6%	NA	3
PM 2.2.F: Average hours of development activities per educator in the secondary phase.	70	80	80	0	0
PM 2.2.G.a: Number / Rate of Repetitions in the secondary phase	17%	15%	17%	NA	2
PM 2.2.G.b: Number / percentage of dropouts in the secondary phase	7.9%	7%	7.9%	NA	0.9
PM 2.2.G.c: Number / percentage of over-aged learners in the secondary phase	9.2%	no data	No data	NA	NA
PM 2.2.H.a: Number / percentage of learners in Grade 9 attaining acceptable educational outcomes	82%	86%	82%	NA	4
PM 2.2.H.b: Number of pupils who passed in Grade 12 examinations		96 619	84 842	11 781	87.81
Pass rate in grade 12	73%	79%	70.4%	-	9.63
PM 2.2.H.c: Number/ percentage of schools with a Grade 12 pass rate of less than 40%.	9.5%	8%	No data	NA	NA
Percentage of educators provided with the material on time	Not available	100%	No data	NA	NA
% of learners provided with required LTSM by 1st day of school	Not available	100%	No data	NA	NA
Number of clustered education resource centres	Not available	50	No data	NA	NA
Roll out of ICT to schools	Not planned	50%	No data	NA	NA
Number of posts created and filled with qualified educators	Not planned	200	No data	NA	NA

### 11.7. Specific Sub-programme 2.2 challenges and responses

#### Challenge 1: Delivery of LTSM

The Department could not deliver the materials for learners and educators by the first day of school in 2006. Delivery was partly hindered by the logistical challenges associated with implementing a new system of distribution, and partly to the shortage of strong rooms and/or other safe storage facilities in schools.

#### Response to Challenge 1

As mentioned earlier, a review of the LTSM delivery system has started. The review will inform next year's processes to ensure that the difficulties encountered do not recur.

#### Challenge 2: Shortage of classrooms and toilets

The elimination of infrastructure backlogs is taking much longer than envisaged due to the magnitude of the problem. As a result some schools still have high learner - classroom ratio.

### Response to challenge 2

A more regulated and structured approach towards infrastructure planning has been adopted. The focus is now on improving the time frames for the planning of the delivery of classroom and toilets. To aid the capacity of the Department of Works, more agents have been involved in the delivery of classrooms, such as Ithala, Umngeni Water, IDT and Divine Life Society. The Department has service level agreements with all these agents.

### 11.8. Issues requiring ongoing attention

- Teacher development support
- Delivery of learner support material
- Management of farm and small schools versus the quality of education
- Improving of matriculation results
- Provision of adequate classrooms (acceptable learner : classroom ratio)

### 11.9. Outputs and service delivery trends: Sub-programme 2.3: Professional services

The objective of sub programme 2.3 is to provide for professional support and development for school-based educators.

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 2.3.A & b: Hours of training and other support provided to schools-based	70	80	80	0	0

### 11.10. Specific Sub-programme 2.3 challenges and responses

#### Challenge 1: Class disturbances

The noble intentions of providing training and professional development to school based educators is having an undesired adverse effect on learner performance stemming from reduced time-on-task.

#### Response to Challenge 1

Efforts have been made to conduct most of the workshops during weekends, however, the challenge is poor attendance at such workshops during weekends.

### 11.11. Issues requiring ongoing attention

- Quality of professional support provided to educators
- The development of subject advisory services to provide a workable ratio of advisors to educators
- Skills gap in the scarce subjects

## 12. Programme 3: Independent School Subsidies

### 12.1. Purpose of the programme:

The purpose of Programme 3 is to monitor and subsidise independent schools according to national policies and norms.

### 12.2. Outputs and service delivery trends

Description of Objective and Performance measure Number of Independent schools	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 3A.a: Average real per learner subsidy	R1 590	R 1600	R 1 590	R10	0.63
PM 3A.b: Number of independent school learners receiving a state subsidy	110	120	118	2	1.6

### 12.3. Specific challenges and responses

#### Challenge 1:

The challenge for the department is that the number of independent schools is growing every year, which puts additional requirements on resources, both human and financial.

#### Response to Challenge 1

The number of independent schools is closely monitored, and the Department adheres to the strict requirements of the South African Schools Act and the National Norms and Standards for School Funding in determining those schools that qualify for subsidies.

# 13. Programme 4: Public Special School Education

## 13.1. Purpose of the programme

The purpose of Programme 4 is to provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education.

## 13.2. Outputs and service delivery trends

Description of Objective and Performance measure Number of public special schools	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 4.1.A: Number of learners in special schools	11 000	11 500	11000	500	4.35
Percentage increase in the number of disabled youth in public schools	2.5%	4.5%	No data	NA	NA

## 13.3. Specific challenges and responses

### Challenge 1: Transforming schools

There is an ongoing challenge in transforming existing special schools to provide inclusive education as envisaged in White Paper 6 on Inclusive Education.

### Response to Challenge 1

The Department has identified a case study that can serve as a model which other schools could use. Brown's School, for example has been identified to provide orientation training courses for 12 selected Special Schools, to extend their current programmes in order to admit learners that require high levels of support. A toolkit was developed in collaboration with KwaZulu-Natal Inclusive Education Programme (KIEP) and was distributed to all Districts and Special Schools.

## 13.4. Issues requiring ongoing attention

- Performance of the institutional support teams
- Trend on the cases of abuse
- Capacity of educators to handle learners with special needs



# 14. Programme 5: Further Education And Training

## 14.1. Purpose of the programme

The purpose of Programme 5 is to provide Further Education and Training (FET) at public FET colleges in accordance with the Further Education and Training Act. Programme 5 has one sub-programme whose primary objective is to provide specific public FET colleges with resources.

## 14.2. Outputs and service delivery trends

Description of Objective and Performance measure Number of Public Institutions that provides for FET	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 5.1.A.a: Number of adults (learners) enrolled in FET institutions.	Not available	49 500	102 845	53 345	108%
PM 5.1.A.b: Number full-time equivalent enrolments in FET institutions	72 000	85 000	49 494	(35 506)	41.8%
PM 5.1.B.a: Number /percentage of students who are girls or women	40%	52451 (51%)	43 801	(8 650)	83.5%
PM 5.1.B.b: Number educators who are African	65%	1064 70%	776 82%	288 -	72.93 12
Percentage of educators who are African					
Percentage success rate per level	Not available	70%	67%	n/a	3%

## 14.3. Specific challenges and responses

### Challenge 1: Nature of FET courses

It has been difficult to attract women/females into the FET colleges due to the nature of the curriculum offered.

### Response to challenge 1

The introduction on NCV programmes and effective marketing of such programmes will have a positive impact on the enrolment of women.

### Challenge 2: ICT connectivity

The connectivity of colleges to Head Office and the National Office posed a serious limitation on communication and efficiency across these three levels.

**Response to challenge 2:**

The national Department of Education is presently piloting a programme in the province regarding the connectivity of colleges.

**Challenge 3: Lack of student support services**

The FET colleges have not been able to establish viable and effective structures to support students within their campuses

**Response to challenge 3**

With the introduction of the NCV programmes planned for 2007, student support services, and additional resources to meet the objectives of FET will be provided.

**Challenge 4: NCV requirements**

With the introduction of the new programmes, educators need to meet specific requirements that are not easily accessible, such as experience in trade/industry experience.

**Response to challenge 4**

The Department has set aside funds for the re-training of educators. Long-term training needs are still being addressed at a national level.

**14.4. Issues requiring ongoing attention**

- Continuous training of educators with regards to the new curriculum and refresher courses to upgrade skills which will eventually improve the quality of results.
- Sustainability of the new connectivity programmes implemented by the national Department of Education
- Investigations into a new student/college administration system which is web-based and centrally hosted.
- Upgrading of student support structures particularly counsellors and other support structures especially with the many challenges experienced by learners.

# 15. Programme 6: Adult Basic Education And Training

## 15.1. Purpose of the programme

The purpose of Programme 6 is to provide Adult Basic Education and Training (ABET) in accordance with the Adult Basic Education Act. Sub-programme 6.1 is the only sub-programme under Programme 6 and its objective is to provide specific public ABET sites with resources.

## 15.2. Outputs and service delivery trends

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 6.1.A.a: Number of full-time equivalent enrolments in public ABET centres.	55 000	80 000	55 000	25 000	31.25
PM 6.1.A.b: Number/ percentage of illiterate adults in the province enrolled in public ABET centre programmes	1.4%	5%	1.4%	-	3.6
Percentage success rate per output level	Not Avail	100%	No data	NA	NA

## 15.3. Specific challenges and responses

### Challenge 1: ABET Centres

The systems of verifying the number of ABET centres, educators appointed in those centres as well as ensuring that teaching and learning take place still pose a challenge.

### Response to challenge 1

The Department is planning to conduct a full audit in the next MTEF period.

# 16. Programme 7: Early Childhood Development

## 16.1. Purpose of the programme

The purpose of Programme 7 is to provide Early Childhood Education (ECD) at the Grade R and earlier levels in accordance with White paper 5.

## 16.2. Outputs and service delivery trends

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 7.A.: Number /percentage of 5 year olds in public funded schools Grade R	17%	13.8%	No data	NA	NA
PM 7.2.A: Number of learners in education-funded community-based ECD sites.	79 000	120 000	79 000	41 000	34.17
Percentage of learners in Grade 1 who have received some formal pre- grade 1 education	35%	60%	No data	NA	NA

## 16.3. Specific challenges and responses

### Challenge 1:

The Department has a policy imperative to ensure that by 2010, all Grade 1 learners would have received Grade R education before enrolling in Grade 1. In addition, the Integrated Plan on ECD places the onus on the Department to work in collaboration with the Department of Social Welfare to ensure that children aged 0 to 4 also receive ECD programmes. The realization of these goals requires a significant increase in the resources allocated to ECD both in financial and human terms and a better coordination in the Social Cluster.

### Response to challenge 1

The Department will conduct a thorough assessment of its capacity to meet the 2010 target. A submission will be made to Cabinet and Treasury once the assessment has been concluded. In addition, the Department has already started establishing a working relationship with the Department of Social Welfare that will clarify the complementarity of the work of the two Departments in the 0 to 5 age group.



# 17. Programme 8: Auxiliary And Associated Services

## 17.1. Purpose of the programme

The purpose of Programme 8 is to provide specialised support services to programme 2: Public Ordinary School Education.

## 17.2. Outputs and service delivery trends

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
				Units	%
PM 8.1.A Number of educators who have undergone IQMS	74 000	50 000	74 000	24 000	48

The purpose of Programme 8 is to provide specialised support services to programme 2: Public Ordinary School Education.

The background of the page is a photograph of a classroom. In the foreground, a male teacher with glasses and a blue jacket is leaning over a desk, looking at a piece of paper. A female student in a blue school uniform is also looking at the paper. In the background, other students are visible, some sitting at desks. The entire image has a blue color overlay. A white banner with a black border is positioned across the middle of the page, containing the section header.

## **Part 4 Financial Report**

# 18. Contents of the Annual Financial Statements

## KwaZulu-Natal Department Of Education - Vote 5

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## 18.1 Report Of The Audit Committee On Vote 5 - Education

We are pleased to present our report for the financial year ended 31 March 2006.

### **Audit Committee Members and Attendance:**

The Audit Committee consists of the members listed hereunder and met 6 times as per its approved terms of reference.

<b>Name of Member</b>	<b>Number of Meetings Attended</b>
R Morar (Chairman)	5
BP Campbell	6
BS Khuzwayo (Adv)	6
ADK Leisegang	6
DSD Shabalala	1
RW Green-Thompson (Prof)	1

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except as stated below:

### **The Effectiveness of Internal Control**

Our review revealed that the department has implemented systems of internal control for certain areas of its operations. Weaknesses in such systems of internal control that were identified by the Internal Audit have been raised with the Department of Education.

### **The quality of in year management and monthly / quarterly reports submitted in terms of the Treasury Regulations and the Division of Revenue Act**

We cannot comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.



**We have:**

- Not reviewed the audited annual financial statements to be included in the annual report;
- Taken into consideration the Auditor-General's management letter and management response;
- Not reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

We accept the conclusions of the Auditor-General on the annual financial statements and are of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



.....  
Chairman: On behalf of the Audit Committee

Date: 15 August 2006

## 18.2 Report by the Accounting Officer

to the Executive Authority and Provincial Legislature of KwaZulu Natal.

### 1. General Review Of The State Of Financial Affairs

The financial results for the Department for the financial year ended 31 March 2006 are presented below:

<b>Programme</b>	<b>Revised Allocation (R000's)</b>	<b>Expenditure (R000's)</b>	<b>Variance (R000's)</b>
Administration	905,433	856,766	48,667
Public Ordinary School Education	12,787,216	13,030,333	(243,117)
Independent School Subsidies	45,650	45,614	36
Public Special School Education	258,526	274,397	(15,871)
Further Education and Training	304,595	317,637	(13,042)
Adult Basic Education and Training	52,423	85,761	(33,338)
Early Childhood Development	79,673	61,760	17,913
Auxiliary and Associated Services	316,215	347,142	(30,927)
Special Functions	-	10,590	(10,590)
<b>Total</b>	<b>14,749,731</b>	<b>15,030,000</b>	<b>(280,269)</b>

Included in administration is the statutory payment for the MEC: Education.

#### 1.1 General Review

##### Change in Senior Management levels

During the reporting period, a few changes at Senior Management levels took place. Substantive appointment of the Superintendent-General was made in June 2005. Mr Themba Ndhlovu was retained as Senior General Manager: Planning and Support effective from 1 September 2005. Mr Ndhlovu had been acting Superintendent-General in the Department since November 2004 on a secondment basis from the national Department of Education. Mrs. Pamela Zulu was appointed Chief Financial Officer with effect from 1 December 2005 after acting in the position. She has been instrumental in introducing a stringent financial regime within the department. Ms. Hlengiwe Mcuma was appointed as Deputy Chief Financial Officer with effect from 1 February 2006. Confidence is expressed that the results of these appointments in the Finance Branch of the department will become apparent in the 2006/2007 financial year. With the support of these and other senior managers, I am confident that we will continue to move from strength to strength and enjoy the kind of team work that we have seen since my appointment on 1 June 2005.

### **Structure**

The Department of Education developed a revised organogram based on the recommendations of the Scoping Task Team from the Office of the Premier. The implementation of the revised organogram will lead to significantly improved service delivery and reporting lines. In order to achieve this, a distinct separation needed to be made between education management and support services. As a result, Education Management Clusters, and Human Resources and Financial Management Service Centres for support services were created.

After considerable planning and consultation the department is ready to implement the revised organogram. This will in turn have an impact on the movement of personnel and on the budget.

### **Compensation of employees**

A significant percentage of educators are granted prolonged sick leave, possibly made worse by the HIV and AIDS pandemic. This necessitates the appointment of temporary educators, sometimes going even beyond the budgeted post establishment, leading to over-expenditure on Compensation of employees under Programme 2: Public Ordinary School Education. An extensive survey conducted by the Human Science Research Council (HSRC), on behalf of the Education Labour Relations Council (ELRC), on the prevalence of HIV and AIDS among educators, has indicated that KwaZulu-Natal, the Eastern Cape and Mpumalanga have the highest figures of prevalence. Based on provincial figures, models show that the department requires in excess of over 2 500 substitute educators to meet the needs caused by the impact of HIV and AIDS.

The Post Provisioning Norm (PPN) model continues to be a valuable tool for determining the number of educators at schools. However, as this model relies on changing enrolment figures, adjustments are necessary as actual figures become available, ultimately requiring educators to be redeployed during a school year, which is a complex process.

A significant challenge the department faces is to increase the number of subject advisors, who in turn will support educators to discharge their responsibilities to the learners. The need to improve service delivery includes reviewing existing structures and job descriptions to ensure that administrative and educational personnel work to optimal efficiency.

**Goods and Services**

In the past, it was a huge problem to ensure that schools receive their textbooks and stationery before the start of the academic year. The problems were related to misalignment of administrative processes, namely cataloguing and distribution processes. As a result the department appointed two agents namely, Edusolutions and Indiza-Motswedi for the procurement and distribution of Learning Teacher Support Material (LTSM) to schools.

As with any new project of this magnitude actual outcomes would have differed from projected outcomes. In this case, not all schools had their LTSM delivered prior to or at the start of the 2006 academic year. Management has devised and implemented corrective steps to ensure that these issues are not repeated in the 2007 academic year.

**Transfers and subsidies**

An amount of R216million was overspent in respect of transfers and subsidies. R43million (included in the above) relates to leave gratuities paid out to personnel, which was not budgeted.

Historically, the conversion of non-Section 21 schools to Section 21 schools exceeded expectation and therefore the department continuously overspent on transfers and subsidies in comparison to goods and services. During the current year the department had not approved the granting of Section 21 status to any schools. However, we have been left with the legacy of the budget not being in line with the actual number of Section 21 schools in existence. In the 2006/07 budget this has been corrected, as the allocation to Section 21 schools has been increased in order to deal with the abovementioned legacy of inadequate budgeting.

**Payments for Capital Assets**

The implementation of the fast track infrastructure programme in 2004/2005 bore some fruit in the 2005/2006 year in that the under-spending in respect of infrastructure assets decreased from R197 million to R88 million. This is an improvement of 225%. The fast track programme will continue in the 2006/2007 year. The under-expenditure of R88 million relates to under-expenditure in two programmes, namely, R36 million from Further Education and Training and R31 million from Administration.



The department has embarked on an audit readiness project during the year and one of the issues that was identified is to update the assets register for the 2005/2006 year. Early reports have shown that in order for the Department to be fully in control of the assets, a period of between three to five years is required.

### **Financial systems**

As stated in my previous year's report, a significant backlog of uncaptured invoices which translated to an approximate value of R350 million was paid in 2005/06. The probable reasons for this may have been the move from Ulundi to Pietermaritzburg, as well as slowness in the computer network response times. As stated in the additional disclosure, the accruals of the department amount to R123 million, showing a significant improvement in cash flow management.

Difficulties continued to exist with processing of Emolument Attachment and Garnishee orders because of the backlog built up over prior years. A web-enabled solution is being commissioned to rectify issues surrounding the administration and slow response times to processing of Emolument Attachment and Garnishee orders.

The Chief Financial Officer is investigating the use of a budget reporting tool that will enable timely and easily accessible financial data. This reporting tool will be rolled out to the various programme directors, to ensure that they manage finances effectively.

## **1.2 Turnaround strategy**

### **Financial management**

A team of black accounting and auditing firms was engaged, to assist the Department prepare itself for the 2005/2006 audit, and to ensure that previously reported audit qualifications were not necessarily repeated in the current year, as well as, to make recommendations for improvement.

The team in internal control and risk management have worked tirelessly to provide all the necessary information to the office of the Auditor General. A major project that they had embarked on was debt management, which included debt write off and dealing with aging debt.

The department embarked on the Standard Chart of Accounts training programme to ensure that allocation of expenditure is done in the correct economic classifications.

The Chief Financial Officer's staff complement has been significantly increased during the year including the filling of the post of Chief Director Financial Services, who also acts as Deputy Chief Financial Officer. The position of Directors of Asset management, Accounting Services and, Cluster Financial Manager (Zululand) have also been filled. The Department also secured the services of a Chief Director: Supply Chain Management seconded from the national Department of Education. His main task is to facilitate the establishment of systems, processes and procedures in supply chain management.

### **Planning and support**

The department appointed a Deputy Director General to manage planning and support services in the department, which includes, Infrastructure Delivery, Strategic Planning, Policy and Performance Management. In respect to infrastructure delivery, the department introduced additional implementing agents, namely ITHALA, Independent Development Trust and Umngeni Water to deliver infrastructure (Schools, additional classrooms and toilets) on behalf of the Department. Significant improvement in data management has allowed the department to reprioritise infrastructure needs of schools.

The Department together with National Treasury have determined 30 measurable objectives that will be quantified on a quarterly basis. These objectives have been incorporated in the annual performance plan. The eventual outcome of this process will be to include these objectives in the annual performance agreements and contracts of the Senior Management Service.

## 18.3. Programme Performance

Summary of major over & under-expenditure	Budget (R000's)	Expenditure (R000's)	Variance (R000's)
<b>Administration</b> - Buildings & other fixed structures. The savings in this economic classification is in contrast to the rentals paid for administration building in goods and services. Work is under way to finalise the needs assessment for department owned administrative buildings.	33,000	1,396	31,604
<b>Administration</b> - Machinery & equipment	41,412	11,749	29,663
<b>Public Ordinary Schools</b> - Compensation of employees - over-expenditure on substitute educators.	10,682,835	10,695,089	(12,254)
<b>Public Ordinary Schools</b> - Goods & Services - Over expenditure due to the increase in large volume of unprocessed invoices from the prior year and pressures of providing LTSM to implementing grade 7 and 10 in terms of the National Curriculum Statement.	971,390	1,272,980	(301,590)
<b>Public Ordinary Schools</b> - Transfers - over-expenditure on transfer payments caused by misalignment of the budget to the actual number of S21 schools in existence.	346,592	515,548	(168,956)
<b>Public Ordinary Schools</b> - Buildings & other fixed structures - under-expenditure. This was due mainly to the increase in repairs and maintenance costs, as well as the misalignment of the budget.	725,286	510,860	214,426

### Programme 1 - Administration

In compensation of employees, the resulting under expenditure was mainly caused by vacant posts not being filled. The misalignment of the budget in goods and services has contributed to the variance.

### Programme 2 - Public Ordinary School

This programme has four sub-programmes:

- Public Primary Schools;
- Public Secondary Schools;
- Financial Management and Quality Enhancement; and
- Primary School Nutrition Programme

The key drivers in the programme are the cost of educators, infrastructure and Norms & Standards funding, National School Nutrition Programme (NSNP) funding:

Spending pressure was placed on the primary school sub-programme, which was mainly due to the increase in the enrolment of learners compared to the anticipated figure. Another reason for the over-expenditure is due to funding of LTSM for the implementation of National Curriculum Statement for grade 7 and the carry through expenditure from the previous year.

**Programme 3 - Independent School Subsidies**

This programme consists of two sub-programmes, namely Primary Phase and Secondary Phase, for the subsidy of current expenditure of independent, primary and secondary schools. The payment of subsidies to private schools is calculated in terms of a national funding formula and is based on the number of pupils enrolled. Overall, the programme performed according to expectation.

**Programme 4 - Public Special School Education**

This programme comprises one sub-programme, which provides funding for public special schools for the education and training of children with special needs. The increase in expenditure over the years is mainly attributed to the Improvement of Conditions of Service adjustments and a nominal increase in subsidies paid to special schools. Overall, the programme performed according to expectation.

**Programme 5 - Further Education and Training**

This programme comprises a single sub-programme, Public Institutions, aimed at providing further education and training to youth in the province, while maintaining a curriculum that is sensitive to the changing needs of commerce and industry. This sector has grown significantly since 1999/2000, and is expected to accommodate a further increase in student enrolment over the Medium Term Expenditure Framework period. Overall, the programme performed according to expectation.

**Programme 6 - Adult Basic Education and Training**

The ABET sector has received a nominal increase in allocation over the last few years. The activities of the sub-programme has increased significantly over the last year due to the announcement by the Premier that illiteracy should be eradicated by 2008. This announcement therefore, puts pressure on the ABET programme. The programme is expected to benefit from additional staff appointed, and resultant increased allocation over the Medium Term Expenditure Framework period.

**Programme 7 - Early Childhood Development**

The Early Childhood Development programme has enjoyed significant growth since inception, due to the conditional grant received from the national Department of Education, which has been discontinued since 31 March 2004, and the programme has been sustained out of funds from the equitable share.



**Programme 8 - Auxiliary and Associated Services**

Auxiliary and associated services comprises the following sub-programmes:

- Advisory Services
- Examination Services
- Human Resource Development
- Planning Services
- Provincial Motor Transport

The over-expenditure was largely attributable to compensation of employees, in the form of overtime for the sub-programme - Examinations. The under-expenditure on payment for capital assets was largely attributed to vehicles not being delivered within the envisaged timeframes.

**Thefts & Losses**

An amount of R10,5 million has been written off in accordance with the department's debt write off policy. The department had undertaken a process of clearing its suspense accounts. An amount of R20,7 million has been written back to revenue from the Pension Receipts Account. These amounts are in relation to monies recovered from employees from the pension fund for outstanding debts. Due to incorrect capturing the debts could not be matched with the corresponding receipts. In the 2006/2007 year, the department will issue a bid for debt collection agencies, to collect an amount of approximately R80 million, relating to out of service debts.

The department had conducted various forensic investigations during the year. An amount of R13,9 million was identified as fraudulent transactions. These transactions have been forwarded to the South African Police Services and the Directorate of Special Operations (Scorpions) for investigation and criminal prosecution.

## 18.4 Services Rendered By The Department

### **Programme 1 - Administration**

The purpose of this programme is policy formulation by the MEC and the Department's management team, organising the Department, and managing its personnel and finances, determining working methods and procedures and exercising control through head office and regional offices. Actual expenditure on this programme comprised 5.55% (2004/2005: 5.3%) of the total expenditure.

### **Programme 2 - Public Ordinary Schools**

This programme aims to develop the mental, spiritual and physical potential of pupils to the optimum by means of education and training. This covers all spheres of education from the provision of educators, learning materials, teacher aids, equipment and management. Actual expenditure on this programme comprised 87.36% (2004/2005: 87.4%) of the total expenditure.

### **Programme 3 - Independent Schools**

This programme is responsible for the timely and orderly registration of independent schools in terms of the South African Schools Act and other legislation and regulations, evaluation and monitoring of independent schools to ensure the effective functioning of such schools and the development of capacity of independent schools and governing boards. It is also responsible for processing of documentation relating to quarterly and annual submissions from independent schools, and the disbursement of monies allocated for the purpose of subsidies paid quarterly to independent schools, together with such interventions as may be determined by evolving circumstances. Actual expenditure on this programme comprised 0.30% (2004/2005: 0.26%) of the total expenditure.

### **Programme 4 - Special Schools**

The purpose of this programme is to educate, train, care for and rehabilitate handicapped children and children with behavioural problems, to enable them to find a place in society. Actual expenditure on this programme comprised 1.83% (2004/2005: 1.9%) of the total expenditure.

### **Programme 5 - FET Colleges**

The purpose of this programme is to offer wide range of education programmes on both a full and part-time basis in colleges and skill centres. Actual expenditure on this programme comprised 1.59% (2004/2005: 1.7%) of the total expenditure.

**Programme 6 - Adult Basic Education & Training**

The purpose of this programme is to provide funds for the promotion of basic education and training for adults. Actual expenditure on this programme comprised 0.57% (2004/2005: 0.4%) of the total expenditure.

**Programme 7 - Early Childhood Development**

The purpose of this programme is to provide funds for the promotion of education early childhood development to children below the entry age for grade 1. Actual expenditure on this programme comprised 0.41% (2004/2005: 0.6%) of the total expenditure.

**Programme 8 - Auxiliary and Associated Services**

The purpose of this programme is to render auxiliary services associated with the Department of Education. This programme comprises five sub-programmes: Examination Services, Planning Services, Advisory Services, Human Resource Development and Provincial Motor Transport. Actual expenditure on this programme comprised 2.31% (2004/2005: 2.4%) of the total expenditure.

**Tariff policy**

The charges raised by the Department are in respect of rental of state-owned housing to officials of the Department, boarding fees and fees for the re-marking of examination scripts or the re-issue of Matric certificates. The charges raised are in accordance with provincial and national policies.

**Free Services**

There are no free services rendered by the Department that would have yielded significant revenue had a tariff been charged.

**Capacity constraints**

Capacity constraints relate mainly to skills. In 2004, a skills audit was carried out by the Department to identify areas of shortage of skills and competencies across all levels of occupation, in order to address the skills shortage in the department. In line with the statutory requirements of the skills act which stipulates that one percent of the departments wage bill must be set aside for skills development, an amount of R114 million has been provided in the 2006/7 financial year.

**Utilisation of donor funds**

Donor funds to the Department have been in the form of goods and/or services and were therefore used for the purposes for which they were intended. Donor funds have also been made available to the Department by the Royal Netherlands Embassy. These monies were utilised for the construction and equipping of Education Centres throughout KwaZulu-Natal. The 2005/6 financial year was the first of a five-year programme.

**Trading entities and public entities**

The Department has no public entities.

**Trust funds**

The Department previously operated the KwaZulu-Natal Education Development Trust (Education) and the KwaZulu-Natal Education Development Trust (General). These two trusts were amalgamated during the year to form one Trust known as the KwaZulu-Natal Education Development Trust, registration number IT 1188/98. The Trust is managed by the Department in conjunction with major donors in the private sector. The Department of Education exercises significant influence over the activities of the Trust, as the majority of trustees are officials of the Department of Education.

The purpose of the KwaZulu-Natal Education Development Trust (Education) was to act as a special fund as contemplated in Section 18(A)(1) of the Income Tax Act. The trust's sole purpose is to receive donations to be used exclusively for education and training to benefit the pupils, students or trainees of any school or institution which is located in the Republic of South Africa. The purpose of the KwaZulu-Natal Education Development Trust (General) was to provide funds for educational institutions of a public character in KwaZulu-Natal. Funds are obtained from private sector donors. The amalgamated trust continues to serve the purpose for which the original two trusts were intended.

**Organisations to whom transfer payments have been made**

Transfer payments were made to:

- Schools with Section 21 status;
- Independent schools; and
- Public Special Schools.
- FET Institutions
- Local Government



Analysis of the amounts paid to the various entities is provided in the financial statements. A detailed analysis of each payment is available from the Department's Head Office.

### **Corporate Governance Arrangements**

#### **Risk Management**

The Department manages financial risk with the support of the Provincial Internal Audit Unit. This includes, an annual assessment of the risks, the design and implementation of effective counter-measures to address risks. The principal risks revolve around inadequate staffing and training of members in the administration of programmes.

#### **Fraud Prevention**

A fraud prevention policy has been developed and implemented. In addition, the Department has implemented a number of internal policies and procedures that complement the requirements of the Public Finance Management Act, including appropriate training of staff.

#### **Internal Audit**

The Department has used the services of the Provincial Internal Audit Unit of Treasury for internal audit services and for its Audit Committees. Internal Audit, supported by Internal Control and Risk Management, are effective in identifying risks and proposing counter-measures. There is currently a Provincial Audit Steering Committee, which oversees the Internal Audit Unit.

#### **Internal Control & Risk Management Unit**

There is an Internal Control & Risk Management Unit in place in the Department, which provides expenditure control services and support to provincial Internal Audit. The Department has reviewed the scope and mandate of the Internal Control Unit and has defined a broader focus than was previously in place. In particular, this unit is tasked with a comprehensive review of all systems.

#### **Management processes to avoid conflict of interest**

The Department has the following processes that effectively prevent conflict of interest:

- Significant management decisions are made at meetings of the Top Management and Senior Management;
- Bid Award Committees are structured so that no one person or group of persons can dominate meetings. Additionally, all members of the Bid Award Committee are required to disclose any vested interest to members of the Committee and to recuse themselves from meetings where such interests are involved;

- Procurement processes are designed so that no one person can requisition and order amounts greater than R1,000;
- The Department is obliged to comply with the FIC Act, however, the capacity of the department to implement the Act's objectives is not in place. The department will address this in the 2006/2007 year.

### **Implementation of code of conduct**

The Department does not have a single formal document containing a code of conduct. However, the key elements of a code of conduct are published on the Departmental network.

### **Safety, health and environment issues**

The Department faces the following significant issues:

- **Safety:** Schools are at significant risk in respect of intimidation from outside the school environment. The Department, together with the Departments of Transport and Community Safety and Liaison, has developed a draft plan for school safety.
- **Health:** The Department is adversely affected by the incidence of HIV and AIDS in the Province. This results in extended periods of sick leave and the consequent employment of substitute educators, which, in turn, causes high expenditure on personnel. The department contributes to the health of learners by providing nutrition to needy learners through the National School Nutrition Programme.
- **Environment:** There are no specific environmental issues caused by the Department. However, the Department is adversely affected by the lack of potable water and transport infrastructure, which impacts negatively on its ability to provide a suitable environment for teaching and learning.

### **Effectiveness of the Audit Committee**

The Province has an Audit Committee that oversees all Departments. The Department attends the Audit Committee meetings on an invitational basis.

### **Discontinued activities/activities to be discontinued**

No activities were discontinued during the year under review and there are no plans to discontinue activities in the next financial year.

**New/proposed activities**

In line with national and provincial priorities, the department will be introducing some key activities in the 2006/7 financial year. These include the 'No fee schools' project, aimed at eliminating compulsory school fees for learners in schools falling in the poorest quintiles. We will also be launching a three year adult literacy campaign (Masifundisane) to deal decisively with illiteracy in the province. The Department will also train community members as Early Childhood Development practitioners in response to the implementation of the National Integrated Early Childhood Development Plan, targeted at children aged between zero and four years. All the above-mentioned programmes are budgeted for.

The department will use the 2006/7 financial year to put plans in place for the provision of learner transport for poor communities. This will be done simultaneously with planning, to consolidate non-viable rural and farm schools into larger, effective and efficient schools. This will require further funding from the fiscus.

The national education sector also expects the Department to make bids for the funding of national projects such as the Quality Improvement and Development Programme (QIDS UP), the training of educators, and the improvement of the EMIS system for the 2007/8 financial year.

**Events after the reporting date**

There are no events after the reporting date that have not been mentioned for the 2005/6 financial year.

**Performance information**

The Department has prepared a comprehensive strategic plan and a detailed operational plan is almost complete. The Department reports quarterly to the Provincial Treasury and the Education Portfolio Committee on performance against targets. Detailed performance monitoring systems that are consistent across all districts are still being developed but are in place for centralised functions. Detailed performance information is contained in Section 2 of this Annual Report.

**Scopa Resolutions**

<b>Reference to previous audit report and SCOPA resolutions</b>	<b>Subject</b>
Resolution 71/2004	Catering for examination markers
Resolution 71/2004	Consultants paid after contract period
Resolution 71/2004	Irregular expenditure ñ R34,431,000
Resolution 71/2004	State guarantees not cancelled for services terminated
Resolution 71/2004	Leave records 2002/2003
Resolution 71/2004	Transversal resolutions: Asset register
Resolution 73/2004	Balance sheet and income statement items
Resolution 75/2004	Unauthorised expenditure
Resolution 78/2004	Financial statements : Catering services
Resolution 79/2004	Financial statements : receivables
Resolution 80/2004	Divine Life Society
Resolution 85/2004	New Republic Bank
Resolution 21/2004	Pension benefits claimed by employees
Resolution 4/2005	Irregular purchase of properties for Sports Academy in Margate
Resolution 5/2005	Five priority areas to be improved
Resolution 6/2005	Consolidation of unauthorized expenditure and application for authorisation
Resolution 7/2005	Unsatisfactory payroll controls
Resolution 8/2005	Divine Life Society expenditure

All of the abovementioned resolutions were answered and presented to Provincial Public Accounts Committee at a meeting dated 14 September 2005.

**Approval**

The Annual Financial Statements set out on pages 108 to 167 have been approved by the Accounting Officer.



R. Cassius Lubisi, PhD  
Superintendent-General  
31 May 2006



## 18.5. Report Of The Auditor-General

### To The Kwazulu-Natal Provincial Legislature On The Financial Statements Of Vote 5 - Department Of Education For The Year Ended 31 March 2006

#### 1. Audit Assignment

The financial statements as set out on pages 108 to 167 for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996(Act No 108. of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

#### 2. Scope

Except as discussed in paragraph 4.1, the audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

#### An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

#### 3. Basis Of Accounting

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in the accounting policy 1.1 of the financial statements.

#### **4. Qualification**

##### **4.1 Limitation on scope- Lease commitments**

The failure to furnish various source and supporting documents on the agreed cut-off date of 15 July 2006 and working papers and reconciliation to substantiate disclosures in the financial statements placed a limitation on the scope of the audit. Alternative audit procedures were not feasible in the absence of information necessary to perform such alternative procedures. Consequently, the schedules and related information to support the total of R 40,48 million disclosed in note 28 of the financial statements as lease commitments, could not be not furnished to substantiate the accuracy, validity and completeness of the amount.

#### **5. Qualified Audit Opinion**

In my opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Department of Education at 31 March 2006 and the results of its operations and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in the accounting policy 1.1 of the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No 1 of 1999) (PFMA)

#### **6. Emphasis Of Matter**

Without further qualifying the audit opinion, attention is drawn to the following matters:

##### **6.1 Irregular expenditure**

Attention is drawn to the amount of R 297,93 million disclosed as irregular expenditure in note 29 of the financial statements. Included in this amount is payments of R 13.09 million to consultants, who were appointed without the approval of the Central Procurement Committee (CPC). This is in contravention with paragraph 5(1)(a) of the KwaZulu-Natal Procurement Act No. 3 of 2001, as amended, which requires that the CPC adjudicate tenders and award contracts for the procurement of goods and services where the value of the contract is above the delegated limit (R250 000) prescribed by the department.

##### **6.2 Unauthorised expenditure**

Attention is drawn to note 10 of the financial statements disclosing unauthorised expenditure of R 346,89 million for the current year and a total amount of R779,57 million which have not been authorised yet.

### 6.3 Suspense accounts

Debit and credit suspense balances totaling R 46,25 million and R 16,72 million respectively, were not cleared at year-end as a result of the department's inability to comply with Treasury Regulation 17.1.2, which requires suspense accounts to be cleared on a monthly basis.

### 6.4 Inter-departmental receivables - current

The unconfirmed balances disclosed in annexure 6 to financial statements revealed the following differences when compared to the balances reflected in the various departments' financial statements:

Department	Education	Amounts Other Departments	Difference
KZN-Department of Art, Culture and Tourism	27,258	0	27,258
KZN Office of the Premier	887	0	887
KZN Department of Sport & Recreation	6,110	0	6,110
Other	4,337	0	4,337
		TOTAL	38,592

### 6.5 Progress with previously reported matters and Scopa resolutions

#### 6.5.1 Previously reported

As mentioned in paragraph 13 of the Accounting Officer's report for the previous year a forensic audit of all procurement activities from 1 April 2001 to 31 March 2005" was arranged with the Public Service Commission". This report could not be submitted during the audit. Consequently any financial impact emanating from the report could not be determined.

#### 6.5.2 Scopa resolutions

Attention is drawn to paragraph 13 of the accounting officer's report. This disclosure does not include the follow-up actions of the department.

### 6.6 Forensic Investigations

Attention is drawn to paragraph 1; Programme 8 :Thefts and losses of the accounting officer's report where reference is made to various forensic investigations during the year that identified fraudulent transactions of R 13,9 million.

#### **6.7 Audit of Performance Information**

At the date of this report the performance information for the department was not submitted for auditing. This is technically non-compliance in terms of chapter 5.1.2 of National Treasury's Guide for the preparation of the annual reports for the 2005/06 financial year, which requires the submission of performance information to the Auditor-General for audit purposes by 15 June 2006.

#### **6.8 Human resource management**

My review of the department's human resource management highlighted the following:

- The human resource plan does not contain the minimum requirements stipulated in the Public Service Regulations (Part 111 D.1 (a)). The plan does not make references to the competencies, training needs and employment capacities as required.
- The department experienced an overall vacancy rate of 7.48 per cent at year-end. The acceptable norm is 5 per cent.
- The number of posts vacant for more than 90 days as at the 31 March 2006 is 5138 against a total funded establishment of 89256 posts.
- There is no strategy to address the gap between the HR demand and HR supply on specific employee needs, costing and specific timeframes as required by the Public Service Regulation.

#### **6.9 Fixed assets and inventory**

Section 38(1)(d) of the Public Finance Management Act (Act No. 1 of 1999) (PFMA), Treasury Regulation 10(1) as well as Practice Note 006 prescribes that controls need to be implemented for the maintenance and safeguarding of assets. Furthermore, guidance issued by the National Treasury for provincial departments with regard to capital assets for the 2005-06 financial year, required that assets disclosed in the financial statements should agree to the asset register. Audit procedures carried out for the year under review revealed the following discrepancies:

- Current expenditure with a total value of R 574 304, representing assets which individually cost less than R5 000, are classified as capital assets.



- Inventory counts performed at year end revealed that inadequate controls were in place to ensure that counts proceeded smoothly. Inventory counts were not adequately controlled resulting in count differences as well as stock sheets not being available.

#### **6.10 BAS- Persal reconciliations**

The department has not performed a monthly reconciliation between the BAS and PERSAL systems. As a result, the amount reflected on the BAS for personnel expenditure may not be a fair reflection of the actual employee compensation that was processed on PERSAL. Consequently, discrepancies between the BAS and PERSAL system may not be detected timely and could result in misstatement and financial loss to the department.

#### **7. Appreciation**

The assistance rendered by the staff of the Department of Education during the audit is sincerely appreciated.

H van Zyl for Auditor-General



Pietermaritzburg

31 July 2006



## 18.6. Accounting Policies

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

### **1. Presentation of the Annual Financial Statements**

#### **1.1 Basis of preparation**

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

#### **1.2 Presentation currency**

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the department.

#### **1.3 Rounding**

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

#### **1.4 Comparative figures**

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

## **2. Revenue**

### **2.1 Appropriated funds**

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records, on the date the adjustments become effective.

Total appropriated funds received during the year are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

### **2.2 Departmental revenue**

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

#### **2.2.1 Tax revenue**

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits). Tax receipts are recognised in the statement of financial performance when received.

#### **2.2.2 Sale of goods and services other than capital assets**

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

#### **2.2.3 Fines, penalties & forfeits**

Fines, penalties & forfeits are compulsory unrequited amounts, which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

**2.2.4 Interest, dividends and rent on land**

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

**2.2.5 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

**2.2.6 Financial transactions in assets and liabilities**

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

Cheques issued in previous accounting periods that expire before being banked is recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

**2.2.7 Gifts, donations and sponsorships**

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the annual financial statements.

**2.3 Local and foreign aid assistance**

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements



The cash payments made during the year relating to local and foreign aid assistance projects is recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, unutilised amounts are recognised in the statement of financial position.

### **3. Expenditure**

#### **3.1 Compensation of employees**

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. Capitalised compensation forms part of one or all of the expenditure for capital assets categories in the statement of financial performance.

All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

##### **3.1.1 Short term employee benefits**

Short-term employee benefits comprise of leave entitlements, thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

### **3.1.2 Long-term employee benefits**

#### **3.1.2.1 Termination benefits**

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

#### **3.1.2.2 Post employment retirement benefits**

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

### **3.2 Goods and services**

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

### **3.3 Interest and rent on land**

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental on the use of buildings or other fixed structures.

### **3.4 Financial transactions in assets and liabilities**

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

### **3.5 Unauthorised expenditure**

When discovered, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered or written off as irrecoverable.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

Where unauthorised expenditure is not approved, it is recovered from the responsible person. The amount received is recorded as departmental revenue in the statement of financial position when received.

### **3.6 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

The amount recovered from the responsible person is recorded as departmental revenue in the statement of financial performance when the funds are received.

### **3.7 Irregular expenditure**

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as a current asset until it is recovered or written off as irrecoverable.

The amount recovered from the responsible person is recorded as revenue in the statement of financial performance when the funds are received.

### **3.8 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

### **3.9 Expenditure for capital assets**

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

#### **4. Assets**

##### **4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

##### **4.2 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

##### **4.3 Receivables**

Receivables included in the statement of financial position arise from cash payments that are recoverable from another party, when the payments are made. Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are disclosed as part of the disclosure notes to the annual financial statements.

##### **4.4 Investments**

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance. Any impairment is disclosed as part of the disclosure notes to the annual financial statements.

##### **4.5 Loans**

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are disclosed as part of the disclosure notes to the annual financial statements.

##### **4.6 Inventory**

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes to the annual financial statements.



## **5. Liabilities**

### **5.1 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at their nominal amounts in the statement of financial position.

### **5.2 Lease commitments**

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are however disclosed as part of the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed as part of the annexures to the annual financial statements.

### **5.3 Accruals**

Accruals represent goods/services that have been received, but no invoice has been received from the supplier at the reporting date, or an invoice has been received but final authorisation for payment has not been effected on the system. Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are however disclosed as part of the disclosure notes.

### **5.4 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed as part of the disclosure notes to the annual financial statements.

## **5.5 Commitments**

Commitments represent goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are however disclosed as part of the disclosure notes.

## **6. Net Assets**

### **6.1 Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

### **6.2 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

## **7. Related Party transactions**

Related parties are parties that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is disclosed as part of the disclosure notes to the annual financial statements.

## **8. Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. Senior management includes the MEC for Education, the Superintendent-General, the Deputy Director(s)-General, the Chief Financial Officer and key advisors.

Compensation paid to key management personnel including their family members where relevant, are disclosed as part of the disclosure notes to the annual financial statements.

## 9. Public private partnership

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
  - consideration to be paid by the department which derives from a Revenue Fund;
  - charges fees to be collected by the private party from users or customers of a service provided to them; or
  - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is disclosed as part of the disclosure notes to the annual financial statements.

# 18.7 Annual Financial Statements for the year ended 31 March 2006

## Kwa-zulu Natal - Department Of Education Vote 5

		Appropriation Per Programme					2004/2005	
		2005/2006					Final Appropriation R'000	Actual Payment R'000
		Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	
<b>1 Administration</b>								
Current payment	829,626	-	-	829,626	836,328	(6,702)	100.8%	671,267
Transfers and subsidies	1,395	-	-	1,395	7,293	(5,898)	522.8%	14,685
Payment for capital assets	74,412	-	-	74,412	13,145	61,267	17.7%	5,479
<b>2 Public ordinary schools</b>								
Current payment	11,654,225	-	-	11,654,225	11,968,069	(313,844)	102.7%	10,436,168
Transfers and subsidies	391,121	4,097	-	395,218	513,073	(117,855)	129.8%	493,784
Payment for capital assets	737,773	-	-	737,773	549,191	188,582	74.4%	464,360
<b>3 Independent school subsidies</b>								
Current payment	-	-	-	-	-	-	0.0%	91
Transfers and subsidies	45,650	-	-	45,650	45,614	36	99.9%	33,474
<b>4 Public special school education</b>								
Current payment	214,865	-	-	214,865	229,940	(15,075)	107.0%	208,461
Transfers and subsidies	43,661	-	-	43,661	44,336	(675)	101.5%	44,592
Payment for capital assets	-	-	-	-	121	(121)	0.0%	10
<b>5 Further education and training</b>								
Current payment	208,769	-	-	208,769	177,004	31,765	84.8%	163,175
Transfers and subsidies	59,826	-	-	59,826	140,633	(80,807)	235.1%	59,406
Payment for capital assets	36,000	-	-	36,000	-	36,000	0.0%	79



## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006

		Appropriation per Programme						
		2005/2006						
		Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	
<b>6</b>	<b>Adult basic education and training</b>							
	Current payment	51,251	-	51,251	85,417	(34,166)	166.7%	
	Transfers and subsidies	120	-	120	172	(52)	143.3%	
	Payment for capital assets	1,052	-	1,052	172	880	16.3%	
<b>7</b>	<b>Early childhood</b>							
	Current payment	79,109	-	79,109	61,396	17,713	77.6%	
	Transfers and subsidies	4,461	(4,097)	364	364	-	100.0%	
	Payment for capital assets	200	-	200	-	200	0.0%	
<b>8</b>	<b>Auxiliary and associated services</b>							
	Current payment	284,170	-	284,170	334,643	(50,473)	117.8%	
	Transfers and subsidies	499	-	499	1,370	(871)	274.5%	
	Payment for capital assets	31,546	-	31,546	11,129	20,417	35.3%	
<b>9</b>	<b>Special Function</b>							
	Current payment	-	-	-	10,590	(10,590)	0.0%	
<b>Total</b>		<b>14,749,731</b>	<b>-</b>	<b>14,749,731</b>	<b>15,030,000</b>	<b>(280,269)</b>	<b>101.9%</b>	

2004/2005

Final Appropriation R'000	Actual Payment R'000
49,458	49,458
100	100
1,012	176
79,241	79,241
219	219
237	237
292,138	289,590
646	645
19,905	14,804
-	3,770
<b>13,068,129</b>	<b>13,033,271</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006

Appropriation per Programme								2004/2005
2005/2006								
Statutory Appropriation Current payments	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
						%		
	619	-	619	-	619	0.0%	-	-
	14,750,350	-	14,750,350	15,030,000	(279,650)	101.9%	13,068,714	13,033,271
Reconciliation with Statement of Financial Performance								
Departmental receipts								35,062
Local and Foreign aid assistance								
Actual amounts per Statement of Financial Performance (Total Revenue)								13,103,776
Add: Local and Foreign aid assistance								
Actual amounts per Statement of Financial Performance Expenditure								13,033,271

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006

Appropriation per economic classification						
2005/2006						
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %
<b>Current payment</b>						
Compensation of employees	11,915,627	(103,405)	11,812,222	11,879,394	(67,172)	100.6%
Goods and services	1,406,388	103,405	1,509,793	1,813,403	(303,610)	120.1%
Financial transactions in assets and liabilities	-	-	-	10,590	(10,590)	0.0%
<b>Transfers and subsidies</b>						
Provinces and municipalities	37,769	-	37,769	34,523	3,246	91.4%
Departmental agencies and accounts	-	-	-	11,004	(11,004)	0.0%
Non-profit institutions	508,964	-	508,964	664,647	(155,683)	130.6%
Households	-	-	-	42,681	(42,681)	0.0%
<b>Payment on capital assets</b>						
Buildings and other fixed structures	794,286	-	794,286	520,698	273,588	65.6%
Machinery and equipment	86,697	(35)	86,662	52,864	33,798	61.0%
Software and other intangible assets	-	35	35	35	-	100.0%
Land & subsoil assets	-	-	-	161	(161)	0.0%
<b>Total</b>	<b>14,749,731</b>	<b>-</b>	<b>14,749,731</b>	<b>15,030,000</b>	<b>(280,269)</b>	<b>101.9%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
10,821,347	10,884,419
1,080,259	1,013,032
-	3,770
24,383	30,763
-	11,964
430,686	568,848
1,101	35,330
637,782	440,999
71,071	44,146
1,500	-
-	-
<b>13,068,129</b>	<b>13,033,271</b>

	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %
<b>Direct charge against Provincial Revenue Fund</b>						
	619	-	619	-	619	0.0%
<b>Committee/parliamentary officers</b>						
<b>Total</b>	<b>619</b>	<b>-</b>	<b>619</b>	<b>-</b>	<b>619</b>	<b>0.0%</b>

Final Appropriation R'000	Actual Payment R'000
585	-
<b>585</b>	<b>-</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAIL PER PROGRAMME 1: Administration

Programme per subprogramme	2005/2006					Payments as % of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>1.1 Office of the MEC</b>						
Current payment	11,409	5,195	16,604	16,604	-	100.0%
Transfers and subsidies	20	-	20	20	-	100.0%
Payment for capital assets	990	-	990	606	384	61.2%
<b>1.2 Education Management</b>						
Current payment	818,217	(5,195)	813,022	819,724	(6,702)	100.8%
Transfers and subsidies	1,375	-	1,375	7,273	(5,898)	528.9%
Payment for capital assets	73,422	-	73,422	12,539	60,883	17.1%
<b>Total</b>	<b>905,433</b>	<b>-</b>	<b>905,433</b>	<b>856,766</b>	<b>48,667</b>	<b>94.6%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
6,872	7,380
20	31
699	47
663,843	663,887
1,298	14,654
56,892	5,432
<b>729,624</b>	<b>691,431</b>

2005/2006

Economic Classification	2005/2006					Payments as % of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>Current payment</b>						
Compensation of employees	562,491	(103,405)	459,086	441,725	17,361	96.2%
Goods and services	267,135	103,405	370,540	394,603	(24,063)	106.5%
<b>Transfers and subsidies</b>						
Provinces and municipalities	1,395	-	1,395	1,636	(241)	117.3%
Departmental agencies & accounts	-	-	-	120	(120)	0.0%
Non-profit institutions	-	-	-	-	-	0.0%
Households	-	-	-	5,537	(5,537)	0.0%
<b>Payment for capital assets</b>						
Building and other fixture structures	33,000	-	33,000	1,396	31,604	4.2%
Machinery and equipment	41,412	-	41,412	11,749	29,663	28.4%
Software & other intangible assets	-	-	-	-	-	0.0%
<b>Total</b>	<b>905,433</b>	<b>-</b>	<b>905,433</b>	<b>856,766</b>	<b>48,667</b>	<b>94.6%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
385,003	385,588
285,712	285,679
1,318	1,493
-	-
-	161
-	13,031
31,000	321
25,091	5,158
1,500	-
<b>729,624</b>	<b>691,431</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 2: Public Ordinary Schools

Programme per subprogramme	2005/2006						2004/2005	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
<b>2.1 Public primary schools</b>								
Current payment	6,982,930	-	6,982,930	7,363,063	(380,133)	105.4%	6,253,128	6,512,669
Transfers and subsidies	245,433	4,097	249,530	362,505	(112,975)	145.3%	260,748	303,078
Payment for capital assets	462,960	16,055	479,015	349,832	129,183	73.0%	392,305	342,074
<b>2.2 Public secondary schools</b>								
Current payment	4,304,615	-	4,304,615	4,373,073	(68,458)	101.6%	3,942,396	3,743,879
Transfers and subsidies	144,465	-	144,465	150,340	(5,875)	104.1%	59,312	138,868
Payment for capital assets	272,504	(16,055)	256,449	199,354	57,095	77.7%	239,214	122,268
<b>2.3 Public school nutrition programme</b>								
Current payment	330,212	-	330,212	198,748	131,464	60.2%	196,420	150,463
Transfers and subsidies	-	-	-	228	(228)	0.0%	-	9,869
<b>2.4 Financial management and quality enhancement</b>								
Current payment	36,468	-	36,468	33,185	3,283	91.0%	45,862	29,157
Transfers and subsidies	1,223	-	1,223	-	1,223	0.0%	-	41,969
Payment for capital assets	2,309	-	2,309	5	2,304	0.2%	-	18
<b>Total</b>	<b>12,783,119</b>	<b>4,097</b>	<b>12,787,216</b>	<b>13,030,333</b>	<b>(243,117)</b>	<b>101.9%</b>	<b>11,389,385</b>	<b>11,394,312</b>

**APPROPRIATION STATEMENT for the year ended 31 March 2006**  
**DETAILS PER PROGRAMME 2: Public Ordinary Schools**

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## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 3: Independent School Subsidies

Programme per subprogramme	2005/2006					Payments as % of final appropriation %
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>3.1 Primary schools</b>						
Current payment	-	-	-		-	0.0%
Transfers and subsidies	21,153	6,700	27,853	27,853	-	100.0%
<b>3.2 Secondary schools</b>						
Transfers and subsidies	24,497	(6,700)	17,797	17,761	36	99.8%
<b>Total</b>	<b>45,650</b>	<b>-</b>	<b>45,650</b>	<b>45,614</b>	<b>36</b>	<b>99.9%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
91	91
14,334	22,798
19,140	10,676
<b>33,565</b>	<b>33,565</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
91	91
33,474	33,474
<b>33,565</b>	<b>33,565</b>

Economic Classification	2005/2006					Payments as % of final appropriation %
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>Current payment</b>						
Goods and services	-	-	-	-	-	0.0%
<b>Transfers and subsidies</b>						
Non-profit institutions	45,650	-	45,650	45,614	36	99.9%
<b>Total</b>	<b>45,650</b>	<b>-</b>	<b>45,650</b>	<b>45,614</b>	<b>36</b>	<b>99.9%</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 4: Public Special School Education

Programme per subprogramme	2005/2006					Payments as % of final of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>4.1 Special schools</b>						
Current payment	214,865	-	214,865	229,940	(15,075)	107.0%
Transfers and subsidies	43,661	-	43,661	44,336	(675)	101.5%
Payment for capital assets	-	-	-	121	(121)	0.0%
<b>Total</b>	<b>258,526</b>	<b>-</b>	<b>258,526</b>	<b>274,397</b>	<b>(15,871)</b>	<b>106.1%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
208,461	208,461
40,947	44,592
10	10
<b>249,418</b>	<b>253,063</b>

Economic Classification	2005/2006					Payments as % of final of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>Current payment</b>						
Compensation of employees	214,865	-	214,865	229,785	(14,920)	106.9%
Goods and services	-	-	-	155	(155)	0.0%
<b>Transfers and subsidies</b>						
Provinces and municipalities	688	-	688	665	23	96.7%
Non-profit Institutions	42,973	-	42,973	42,646	327	99.2%
Households	-	-	-	1,025	(1,025)	0.0%
<b>Capital</b>						
Buildings & other fixed structures	-	-	-	121	(121)	0.0%
Machinery and equipment	-	-	-	-	-	0.0%
<b>TOTAL</b>	<b>258,526</b>	<b>-</b>	<b>258,526</b>	<b>274,397</b>	<b>(15,871)</b>	<b>106.1%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
208,246	208,246
215	215
560	590
39,520	42,938
867	1,064
-	-
10	10
<b>249,418</b>	<b>253,063</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 5: Further Education and Training

Programme per subprogramme	2005/2006					Payments as % of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>5.1 FET institutions</b>						
Current payment	208,769	-	208,769	177,004	31,765	84.8%
Transfers and subsidies	59,826	-	59,826	140,633	(80,807)	235.1%
Payment for capital assets	36,000	-	36,000	-	36,000	0.0%
<b>Total</b>	<b>304,595</b>	<b>-</b>	<b>304,595</b>	<b>317,637</b>	<b>(13,042)</b>	<b>104.3%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
163,696	163,175
59,406	59,406
79	79
<b>223,181</b>	<b>222,660</b>

Economic Classification	2005/2006					Payments as % of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>Current payment</b>						
Compensation to employees	208,769	-	208,769	166,069	42,700	79.5%
Goods and services	-	-	-	10,935	(10,935)	0.0%
<b>Transfers and subsidies</b>						
Provinces and municipalities	479	-	479	483	(4)	100.8%
Non-profit institutions	59,347	-	59,347	139,801	(80,454)	235.6%
Households	-	-	-	349	(349)	0.0%
<b>Payment for capital assets</b>						
Buildings and other fixed structures	36,000	-	36,000	-	36,000	0.0%
Machinery & equipment	-	-	-	-	-	0.0%
<b>Total</b>	<b>304,595</b>	<b>-</b>	<b>304,595</b>	<b>317,637</b>	<b>(13,042)</b>	<b>104.3%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
158,927	158,406
4,769	4,769
450	450
58,727	58,727
229	229
-	-
79	79
<b>223,181</b>	<b>222,660</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 6: Adult Basic Education and Training

Programme per subprogramme	2005/2006					Payments as % of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>6.1 Public centres</b>						
Current payment	51,251	-	51,251	85,417	(34,166)	166.7%
Transfers and subsidies	120	-	120	172	(52)	143.3%
Payment for capital assets	1,052	-	1,052	172	880	16.3%
<b>Total</b>	<b>52,423</b>	<b>-</b>	<b>52,423</b>	<b>85,761</b>	<b>(33,338)</b>	<b>163.6%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
49,458	49,458
100	100
1,012	176
<b>50,570</b>	<b>49,734</b>

Programme per subprogramme	2005/2006					Payments as % of final appropriation
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
<b>Current payment</b>						
Compensation of employees	43,944	-	43,944	78,829	(34,885)	179.4%
Goods and services	7,307	-	7,307	6,588	719	90.2%
<b>Transfers and subsidies</b>						
Provinces and municipalities	120	-	120	152	(32)	126.7%
Households	-	-	-	20	(20)	0.0%
<b>Payment for capital assets</b>						
Machinery and equipment	1,052	-	1,052	172	880	16.3%
<b>Total</b>	<b>52,423</b>	<b>-</b>	<b>52,423</b>	<b>85,761</b>	<b>(33,338)</b>	<b>163.6%</b>

2004/2005

Final Appropriation R'000	Actual Payment R'000
44,928	44,928
4,530	4,530
	95
	5
1,012	176
<b>50,570</b>	<b>49,734</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 7: Early Childhood Development

Programme per subprogramme	2005/2006						2004/2005	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
<b>7.1 Grade R in community centres</b>								
Current payment	41,245	-	41,245	14,536	26,709	35.2%	31,494	31,494
Transfers & subsidies	2,326	(2,094)	232	232	-	100.0%	45	45
Expenditure for capital assets	104	-	104	-	104	0.0%	237	237
<b>7.2 Grade R in public schools</b>								
Current payment	37,864	-	37,864	46,860	(8,996)	123.8%	47,747	47,747
Transfers & subsidies	2,135	(2,003)	132	132	-	100.0%	174	174
Expenditure for capital assets	96	-	96	-	96	0.0%	-	-
<b>Total</b>	<b>83,770</b>	<b>(4,097)</b>	<b>79,673</b>	<b>61,760</b>	<b>17,913</b>	<b>77.5%</b>	<b>79,697</b>	<b>79,697</b>

Economic Classification	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
<b>Current payment</b>								
Compensation to employees	46,798	-	46,798	61,016	(14,218)	130.4%	67,584	67,584
Goods and services	32,311	-	32,311	380	31,931	1.2%	11,657	11,657
<b>Transfers and subsidies</b>								
Provinces & municipalities	163	-	163	176	(13)	108.0%	124	121
Non-profit institutions	4,298	(4,097)	201	3	198	1.5%	95	76
Households	-	-	-	185	(185)	0.0%	-	22
<b>Payment for capital assets</b>								
Building & other fixture structures	-	-	-	-	-	0.0%	37	180
Machinery & equipment	200	-	200	-	200	0.0%	200	57
<b>Total</b>	<b>83,770</b>	<b>(4,097)</b>	<b>79,673</b>	<b>61,760</b>	<b>17,913</b>	<b>77.5%</b>	<b>79,697</b>	<b>79,697</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 8: Auxiliary and Associated Services

Programme per subprogramme	2005/2006						2004/2005	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
<b>8.1 Examination</b>								
Current payment	159,139	-	159,139	192,317	(33,178)	120.8%	161,776	161,776
Transfers & subsidies	280	-	280	535	(255)	191.1%	338	217
Payment for capital assets	17,666	-	17,666	500	17,166	2.8%	727	239
<b>8.2 Planning services</b>								
Current payment	7,326	-	7,326	7,134	192	97.4%	5,810	5,810
Transfers & subsidies	12	-	12	16	(4)	133.3%	28	22
Payment for capital assets	814	-	814	8,415	(7,601)	1033.8%	594	58
<b>8.3 Advisory services</b>								
Current payment	58,092	-	58,092	112,077	(53,985)	192.9%	100,252	101,498
Transfers & subsidies	102	-	102	612	(510)	600.0%	192	308
Payment for capital assets	6,449	-	6,449	976	5,473	15.1%	7,016	752
<b>8.4 Human resource development</b>								
Current payment	51,026	-	51,026	23,115	27,911	45.3%	24,300	20,506
Transfers & subsidies	90	-	90	207	(117)	230.0%	88	98
Payment for capital assets	5,664	-	5,664	1,238	4,426	21.9%	2,468	197
<b>8.5 Provincial motor transport</b>								
Current Payment	8,587	-	8,587	-	8,587	0.0%	-	-
Transfers and Subsidies	15	-	15	-	15	0.0%	-	-
Payment for capital assets	953	-	953	-	953	0.0%	9,100	13,558
<b>Total</b>	<b>316,215</b>	<b>-</b>	<b>316,215</b>	<b>347,142</b>	<b>(30,927)</b>	<b>109.8%</b>	<b>312,689</b>	<b>305,039</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER PROGRAMME 8: Auxiliary & Associated Services

Economic Classification	2005/2006						2004/2005	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation R'000	Final Appropriation R'000	Actual Payment R'000
<b>Current payment</b>								
Compensation of employees	155,925	-	155,925	206,881	(50,956)	132.7%	183,781	183,781
Goods and services	128,245	-	128,245	127,762	483	99.6%	108,357	105,809
<b>Transfers &amp; subsidies</b>								
Provinces & municipalities	499	-	499	457	42	91.6%	646	262
Non-profit institutions	-	-	-	2	(2)	0.0%	-	244
Households	-	-	-	911	(911)	0.0%	-	139
<b>Payment for capital assets</b>								
Buildings & other fixed structures	-	-	-	8,321	(8,321)	0.0%	-	-
Machinery & equipment	31,546	-	31,546	2,808	28,738	8.9%	19,905	14,804
<b>Total</b>	<b>316,215</b>	<b>-</b>	<b>316,215</b>	<b>347,142</b>	<b>(30,927)</b>	<b>109.8%</b>	<b>312,689</b>	<b>305,039</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAILS PER SPECIAL FUNCTIONS

		2005/2006							2004/2005	
Programme per subprogramme	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %			Final Appropriation R'000	Actual Payment R'000
9.1 Special function Current payment	-	-	-	10,590	(10,590)	0.0%			-	3,770
<b>Total</b>	-	-	-	<b>10,590</b>	<b>(10,590)</b>	<b>0.0%</b>			-	<b>3,770</b>

Economic Classification	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %			Final Appropriation R'000	Actual Payment R'000
<b>Current payment</b> Financial transactions in assets and liabilities	-	-	-	10,590	(10,590)	0.0%			-	3,770
<b>Total</b>	-	-	-	<b>10,590</b>	<b>(10,590)</b>	<b>0.0%</b>			-	<b>3,770</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE APPROPRIATION STATEMENT For the year ended 31 March 2006

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (A-L) to the annual financial statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**  
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. **Detail on financial transactions in assets and liabilities**  
Detail of these transactions per programme can be viewed in note 1 (Details of special functions (theft and losses)) to the annual financial statements.
4. **Explanations of material variances from Amounts Voted (after virement):**  
4.1 Per programme:

	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
1. Administration	905,433	856,766	48,667	5%
The under spending is due to the fact that a significant number of posts remained unfilled, also the budget for the RSCs levies is budgeted for in the compensation of employees, but the expenditure is against the transfers according to the financial management system (BAS). The rest of the amount resulted from the controls that were implemented to curtail costs, hence, some of the Regions did not continue with their purchase of furniture and equipment.				

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE APPROPRIATION STATEMENT For the year ended 31 March 2006

	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
Public ordinary schools	12,787,216	13,030,333	(243,117)	-2%
Spending pressure was on primary school sub-programme mainly because of the increase in the enrollment compared to the budgeted figure. Another reason is the funding of LTSM for the implementation of National Curriculum Statement for grade 7 to 10.				
Independent school	45,650	45,614	36	0.08%
Spent according to the budget.				
Public special school education	258,526	274,397	(15,871)	-6.14%
The compensation of employees expenditure has contributed to the overspending in this programme, only because of the increase in the conditions of service.				
Further education and training	304,595	317,637	(13,042)	-4.28%
The pressure to upgrade and improve the capacity of the FET colleges caused the over-spending in the transfers and subsidies. This was also aggravated by the pressure for the co-operatives training.				
Adult basic education and training	52,423	85,761	(33,338)	-63.59%
The overspending occurred mainly on the compensation of employees due to the increase in the number of classes that had to be conducted, to meet the demand of the services. This program is linked directly to the effort of reducing the literacy rate in the Province.				



## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE APPROPRIATION STATEMENT For the year ended 31 March 2006

	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
<b>Early childhood development</b>	79,673	61,760	17,913	22.48%
The budget for grade R that was to be spent under this Programme was instead spent under Programme 2. This made savings in this Programme and contributed to the overspending in Programme 2				
<b>Auxiliary and associated services</b>	316,215	347,142	(30,927)	-9.78%
The overspending was caused by the movement of the staff for advisory services from Programme 2 to this Programme. The budget has been corrected for the year going forward.				

#### 4.2 Per economic classification

##### Current expenditure

Compensation of employees  
Goods and services  
Financial transactions in asset and liabilities  
Unauthorised expenditure approved

R'000  
11,879,394  
1,813,403  
10,590  
1,934

##### Transfers and subsidies

Provinces and municipalities  
Departmental agencies and accounts  
Non-profit institutions  
Households

34,523  
11,004  
664,647  
42,681

##### Payments for capital assets

Buildings and other fixed structures  
Machinery and Equipment  
Software and other intangible assets  
Land and subsoil assets

520,698  
52,864  
35  
161

**Note:** Refer to the Report of the Accounting Officer for reasons for an overview of the spending per economic classification.

## Kwa-zulu Natal - Department Of Education Vote 5

### STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
<b>REVENUE</b>			
Annual Appropriation	1.	14,749,731	13,068,129
Statutory appropriation	2.	619	585
Departmental revenue	3.	55,999	35,062
Local and foreign aid assistance	4.	25,999	-
<b>TOTAL REVENUE</b>		<b>14,832,348</b>	<b>13,103,776</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5.	11,879,394	10,884,419
Goods and services	6.	1,813,403	1,013,032
Financial transactions in asset and liabilities	7.	10,590	3,770
Local and foreign aid assistance	4.	1,934	-
<b>Total current expenditure</b>		<b>13,705,321</b>	<b>11,901,221</b>
<b>Transfers and subsidies</b>	8.	<b>752,855</b>	<b>646,905</b>
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures	9.	520,698	440,999
Machinery and Equipment	9.	52,864	44,146
Software and other intangible assets	9.	35	-
Land and subsoil assets	9.	161	-
<b>Total expenditure for capital assets</b>		<b>573,758</b>	<b>485,145</b>
<b>TOTAL EXPENDITURE</b>		<b>15,031,934</b>	<b>13,033,271</b>
<b>(DEFICIT)/ SURPLUS</b>		<b>(199,586)</b>	<b>70,505</b>
Add back unauthorised expenditure	10.	346,885	12,341
Add back fruitless and wasteful expenditure	12.	14,096	2,548
<b>NET SURPLUS FOR THE YEAR</b>		<b>161,395</b>	<b>85,394</b>
<b>Reconciliation of Net Surplus/ for the year</b>			
Voted Funds	17.	81,331	50,332
Departmental revenue	18.	55,999	35,062
Local and foreign aid assistance	4.	24,065	-
<b>NET SURPLUS FOR THE YEAR</b>		<b>161,395</b>	<b>85,394</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### STATEMENT OF FINANCIAL POSITION As at 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
<b>ASSETS</b>			
<b>Current assets</b>		967,169	624,252
Unauthorised expenditure	10.	779,567	432,682
Fruitless and wasteful expenditure	12.1	19,179	5,083
Cash and cash equivalents	13.	261	4,107
Prepayments and advances	14.	4,376	6,217
Receivables	15.	163,892	176,163
<b>Non-current assets</b>		990	990
Investments	16	990	990
<b>TOTAL ASSETS</b>		<b>968,265</b>	<b>625,242</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		946,929	611,028
Voted funds to be surrendered to the Revenue Fund	17.	151,048	24,102
Departmental revenue to be surrendered to the Revenue Fund	18.	23,357	35,062
Bank overdraft	19.	724,129	491,269
Payables	20.	17,725	53,884
Local and Foreign aid assistance unutilised	4.	24,065	-
Local and Foreign aid assistance repayable	4.	6,711	6,711
<b>Non-current liabilities</b>			
Payable	21.	993	993
<b>TOTAL LIABILITIES</b>		<b>948,028</b>	<b>612,021</b>
<b>NET ASSETS</b>		<b>20,237</b>	<b>13,221</b>
<b>Represented by:</b>			
Recoverable revenue		20,237	13,221
<b>TOTAL</b>		<b>20,237</b>	<b>13,221</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
<b>Recoverable revenue</b>		
Opening balance	13,221	-
Transfers	7,016	13,221
Debts raised	7,016	13,221
Closing balance	20,237	13,221



## Kwa-zulu Natal - Department Of Education Vote 5

### CASH FLOW STATEMENT For the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		14,832,348	13,103,776
Annual appropriated funds received	1.1	14,749,731	13,068,129
Statutory appropriated funds received		619	585
Departmental revenue received		55,999	35,062
Local and foreign aid assistance received	4.	25,999	-
Net increase in working capital		(22,047)	(547,243)
Surrendered to Revenue Fund		(22,089)	(26,230)
Current payments		(13,705,321)	(11,898,673)
Transfers and subsidies paid		(752,855)	(646,905)
<b>Net cash generated by /(utilised by) operating activities</b>	22.	330,036	(15,275)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for capital assets		(573,758)	(485,145)
<b>Net cash flows from investing activities</b>		(573,758)	(485,145)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in net assets		7,016	13,221
<b>Net cash flows from financing activities</b>		7,016	13,221
Net decrease in cash and cash equivalents		(236,706)	(487,199)
Cash and cash equivalents at beginning of period		(487,162)	37
<b>Cash and cash equivalents at end of period</b>	23.	(723,868)	(487,162)

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### 1 Annual Appropriation

##### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments

	Final Appropriation 2005/06 R'000	Actual Funds Received 2005/06 R'000	Funds not requested/ not received 2005/06 R'000	Appropriation Received 2004/05 R'000
Administration	905,433	905,433	-	729,624
Public ordinary schools	12,787,216	12,783,119	4,097	11,389,385
Independent school subsidies	45,650	45,650	-	33,565
Public special school education	258,526	258,526	-	249,418
Further education and training	304,595	304,595	-	223,181
Adult basic education and training	52,423	52,423	-	50,570
Early childhood development	79,673	83,770	(4,097)	79,697
Auxiliary and associated services	316,215	316,215	-	312,689
<b>Total</b>	<b>14,749,731</b>	<b>14,749,731</b>	<b>-</b>	<b>13,068,129</b>

	Note	2005/06 R'000	2004/05 R'000
<b>1.2 Conditional Grants</b>			
Total grants received	Annexure 1A	689,514	493,202
Provincial Grants included in Total grants received		315,121	282,594

(\*\* It should be noted that the conditional grants are included in the amounts per Total Appropriation in Note 1.1)

#### 2 Statutory appropriation

Member of executive committee	619	585
<b>Total</b>	<b>619</b>	<b>585</b>
Actual Statutory Appropriation received	619	585

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

		2005/06 R'000	2004/05 R'000
<b>3</b>	<b>Departmental revenue</b>		
	Description		
	Sales of goods & services other than capital assets	3.1 20,400	18,241
	Interest, dividends and rent on land	3.2 185	102
	Financial transactions in assets & liabilities	3.3 35,414	16,719
	<b>Total</b>	<b>55,999</b>	<b>35,062</b>
<b>3.1</b>	<b>Sales of goods and services other than capital assets</b>		
	Sales of goods and services produced by the department	20,400	18,241
	Other Sales	20,400	18,241
	<b>Total</b>	<b>20,400</b>	<b>18,241</b>
<b>3.2</b>	<b>Interest, dividends and rent on land</b>		
	Interest	185	102
	<b>Total</b>	<b>185</b>	<b>102</b>
<b>3.3</b>	<b>Financial transaction in assets and liabilities</b>		
	<b>Nature of loss recovered</b>		
	Other receipts including recoverable revenue	35,414	16,719
	<b>Total</b>	<b>35,414</b>	<b>16,719</b>
<b>4.1</b>	<b>Assistance received in cash from RDP</b>		
	<b>Local</b>		
	Opening Balance	6,711	-
	Revenue	-	6,711
	<b>Closing Balance</b>	<b>6,711</b>	<b>6,711</b>
	<b>Foreign</b>		
	Revenue	25,999	-
	Expenditure	1,934	-
	Current	1,934	-
	<b>Closing Balance</b>	<b>24,065</b>	<b>-</b>
	<b>Total</b>		
	Opening Balance	6,711	-
	Revenue	25,999	6,711
	Expenditure	1,934	-
	Current	1,934	-
	<b>Closing Balance</b>	<b>30,776</b>	<b>6,711</b>
	<b>Analysis of balance</b>		
	Local and foreign aid unutilised	24,065	-
	Local foreign aid payable to RDP fund/donors	6,711	6,711
	<b>Closing balance</b>	<b>(30,776)</b>	<b>(6,711)</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

	2005/06 R'000	2004/05 R'000
<b>5. Compensation of employees</b>		
<b>5.1 Salaries and Wages</b>		
Basic salary	8,894,381	8,020,664
Performance award	51,517	35,333
Service based	13,048	16,330
Compensative/circumstantial	100,902	92,761
Periodic payments	107,009	74,512
Other non-pensionable allowances	896,481	802,216
<b>Total</b>	<b>10,063,338</b>	<b>9,041,816</b>
<b>5.2 Social contributions</b>		
<b>5.2.1 Short term employee benefits</b>		
Pension	1,163,861	1,223,320
Medical	649,868	617,017
UIF	84	74
Bargain council	766	758
Official unions and associations	1,475	1,433
Insurance	2	1
<b>Total</b>	<b>1,816,056</b>	<b>1,842,603</b>
<b>Total compensation of employees</b>	<b>11,879,394</b>	<b>10,884,419</b>
<b>Average number of employees</b>	<b>83,970</b>	<b>83,974</b>
<b>6. Goods and Services</b>		
Advertising	6,135	6,317
Bank charges and card fees	198	46
Bursaries (employees)	10,108	8,482
Cash discount	-	6
Communication	38,690	30,654
Computer Services	23,862	13,457
Consultants, contractors and special services	60,485	37,567
Courier and delivery services	323	67
Entertainment	1,705	2,154
External audit fee	6,271	10,441
Equipment less than R5000	96,093	118,357
Freight services	146	105
Honoraria (voluntary workers)	514	32
Inventory	998,044	488,008
Legal fees	1,399	1,349
Maintenance, repair and running costs	206,995	55,873
Medical services	1,116	114
Operating leases	51,974	35,742
Personnel agency fees	253	320
Photographic services	277	641
Printing & publications	28,987	22,237
Professional bodies & membership fees	2,033	28
Resettlement costs	3,954	28,540
Subscriptions	80	289
Owned and leasehold property expenditure	97,850	35,185



## Kwa-zulu Natal - Department Of Education

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005

	Translations and transcriptions		383	16
	Transport provided as part of the departmental activities		7,296	3,992
	Travel and subsistence	6.3	120,342	79,512
	Venue and facilities		22,976	17,291
	Protective, special clothing& uniforms		926	299
	Training & staff development		23,988	15,911
	<b>Total</b>		<b>1,813,403</b>	<b>1,013,032</b>
<b>6.1</b>	<b>External audit fees</b>			
	Regulatory audits		6,271	10,441
	<b>Total external audit fees</b>		<b>6,271</b>	<b>10,441</b>
<b>6.2</b>	<b>Inventory</b>			
	Other inventory		11,010	22,912
	Domestic consumables		24,095	11,928
	Learning and teaching support material		666,920	229,725
	Food and food supplies		240,865	153,236
	Fuel, oil and gas		51	51
	Laboratory consumables		1,046	395
	Stationery and printing		51,902	69,423
	Medical supplies		2,155	338
	<b>Total inventory</b>		<b>998,004</b>	<b>488,008</b>
<b>6.3</b>	<b>Travel and subsistence</b>			
	Local		119,629	78,304
	Foreign		713	1,208
	<b>Total travel and subsistence</b>		<b>120,342</b>	<b>79,512</b>
<b>7</b>	<b>Financial transactions in assets and liabilities</b>			
	Material losses through criminal conduct	7.1	86	3,753
	Other material losses written off	7.2	-	17
	Debt written off	7.3	10,504	-
	<b>Total</b>		<b>10,590</b>	<b>3,770</b>
<b>7.1</b>	<b>Material losses through criminal conduct</b>			
	<b>Nature of losses</b>			
	Unauthorised		-	3,720
	Theft of equipment		86	33
	<b>Total</b>		<b>86</b>	<b>3,753</b>
<b>7.2</b>	<b>Other material losses</b>			
	<b>Nature of losses</b>			
	<b>Total</b>		<b>-</b>	<b>17</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

		2005/06 R'000	2004/05 R'000
<b>7.3 Bad debts written off</b>			
<b>Nature of debts written off</b>			
Irrecoverable debts written off		10,504	-
<b>Total</b>		<b>10,504</b>	<b>-</b>
<b>8. Transfers and subsidies</b>			
Provinces and municipalities	Annexure 1C & 1B	34,523	30,763
Departmental agencies and accounts	Annexure 1D	11,004	11,964
Non-profit institutions	Annexure 1E	664,647	568,848
Households	Annexure 1F	42,681	35,330
<b>Total</b>		<b>752,855</b>	<b>646,905</b>
<b>9. Expenditure on capital assets</b>			
Buildings and other fixed structures	Annexure 4.1	520,698	440,999
Machinery and equipment	Annexure 4.1	52,864	44,146
Software and other intangible assets	Annexure 5	35	-
Land and subsoil assets		161	-
<b>Total</b>		<b>573,758</b>	<b>485,145</b>
<b>10 Unauthorised expenditure</b>			
<b>10.1 Reconciliation of unauthorised expenditure</b>			
Opening balance		432,682	420,341
Unauthorised expenditure - current year	11.	346,885	12,341
Unauthorised expenditure awaiting authorisation		<b>779,567</b>	<b>432,682</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2006

#### 11. Analysis of current unauthorised expenditure

	2005/06 R'000
Programme 2- Public Ordinary Schools	243,117
Programme 4- Public Special School Education	15,871
Programme 5- Further Education and Training	13,042
Programme 6- Adult Basic Education and Training	33,338
Programme 8- Auxiliary and Associated Services	30,927
Special functions	10,590
<b>Total</b>	<b>346,885</b>

#### 12. Fruitless and wasteful expenditure

##### 12.1 Reconciliation of fruitless and wasteful expenditure

	2005/06 R'000	2004/05 R'000
Opening balance	5,083	2,535
Fruitless and wasteful expenditure - current year	14,096	2,548
Current	7,074	2,548
Capital	7,022	-
<b>Fruitless and wasteful expenditure awaiting condonement</b>	<b>19,179</b>	<b>5,083</b>

##### 12.2 Analysis of current fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Opening balance		5,083
Fraud cases	Cases dealt with accordingly	13,990
Interest paid		106
<b>TOTAL</b>		<b>19,179</b>

#### 13. Cash and cash equivalents

Consolidated Paymaster General Account	240	4,025
Cash Receipts	21	45
Cash on hand	-	37
<b>Total</b>	<b>261</b>	<b>4,107</b>

#### 14. Prepayments and advances

Description		
Travel and subsistence	4,376	6,217
<b>Total</b>	<b>4,376</b>	<b>6,217</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2006

15. Receivables					2005/06 R'000	2004/05 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Households and non profit institutions	15.1	-	-	-	-	41,647
Staff debtors	15.2	27,286	80,952	36	108,274	100,391
Other debtors	15.3	-	17,026	-	17,026	34,125
Claims recoverable	Annex 6	-	38,592	-	38,592	-
<b>Total</b>		<b>27,286</b>	<b>136,570</b>	<b>36</b>	<b>163,892</b>	<b>176,163</b>
<b>15.1 Households and non profit institutions</b>						
Other entities					-	41,647
<b>Total</b>					<b>-</b>	<b>41,647</b>
<b>15.2 Staff debtors</b>						
Staff debtors					2005/06 R'000	2004/05 R'000
Subsidised transport insurance					5	4
Debt account					108,268	100,386
Damage vehicle						
<b>Total</b>					<b>108,274</b>	<b>100,391</b>
<b>15.3 Other Debtors</b>						
Disallowance dishonoured cheques					893	-
Disallowance miscellaneous					12,706	21,229
Salary: tax debt					610	5,399
Salary: financial institution study loans					8	7
Salary: insurance deductions					151	142
Salary: compliant loan deductions					8	7
Salary: Official unions					36	28
Salary: Garnishee orders					1	7
Salary: Medical aids					183	238
Salary: UIF					7	2
Salary: Pension debt					-	221
Theft and losses awaiting approval					-	2,053
Conversion account					-	3,887
Revenue accrual account					-	25
Contract deposits					-	880
Disallowance: damages and losses					1,622	-
Salary reversal control account					801	-
<b>Total</b>					<b>17,026</b>	<b>34,125</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
<b>16. Investments</b>		
<b>Current</b>		
Securities other than shares	990	990
<b>Total</b>	<b>990</b>	<b>990</b>
<b>Securities Other Than Shares</b>		
(List Investments At Cost)		
JMNA Hershensohn School Fund General	130	130
JMNA Hershensohn Medical College	35	35
Jmna Hersh	2	2
Robert Acutt Scholarship Fund	59	59
Robert Acutt Scholarship Fund	99	99
FL Johnsson Scholarship Fund	14	14
FL Johnsson Scholarship Fund	23	23
FL Johnsson Scholarship Fund	43	43
Harry Escombe Scholarship Fund	10	10
Harry Escombe Scholarship Fund	17	17
Harry Escombe Scholarship Fund	73	73
HA Koch Scholarship Fund	296	296
HA Koch Scholarship Fund	185	185
Jean Miller Memorial Prize Fund	3	3
Jean Miller Memorial Prize Fund	1	1
<b>Total</b>	<b>990</b>	<b>990</b>
<b>Analysis of non-current investments</b>		
Opening balance	990	866
Additions in cash	-	124
<b>Closing balance</b>	<b>990</b>	<b>990</b>
<b>17. Voted Funds to be surrendered to the Revenue Fund</b>		
Opening Balance	24,102	-
Transfer from Statement of financial Performance	81,331	50,332
Paid during the year	45,615	(26,230)
<b>Closing Balance</b>	<b>151,048</b>	<b>24,102</b>
<b>17.1 Voted funds not requested/ not received</b>		
Funds to be rolled over	112,232	46,016
<b>Total</b>	<b>112,232</b>	<b>46,016</b>
<b>18. Departmental revenue to be surrendered to the Revenue Fund</b>		
Opening balance	35,062	-
Transfer from Statement of Financial Performance	55,999	35,062
Paid during the year	(67,704)	-
<b>Closing balance</b>	<b>23,357</b>	<b>35,062</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

				2005/06 R'000	2004/05 R'000
<b>19. Bank Overdraft</b>					
Consolidated Paymaster General Account				724,129	491,269
<b>Total</b>				<b>724,129</b>	<b>491,269</b>
<b>20 Payables</b>					
<b>Description</b>				<b>2005/06 Total R'000</b>	<b>2004/05 Total R'000</b>
		<b>30 days R'000</b>	<b>30+ Days R'000</b>		
Advances received 20.1	-	1,866		1,866	1,519
Clearing accounts 20.2	-	8,148		8,148	6,230
Other payments 20.3	-	7,711		7,711	46,135
<b>Total</b>	<b>-</b>	<b>17,725</b>		<b>17,725</b>	<b>53,884</b>
<div style="border: 1px solid black; padding: 5px; margin: 10px 0;">                     The amount from annexure 7 is not reflected in this note as the above are not recorded in the departments books.                 </div>					
				<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>20.1 Advances received</b>					
Advances from National departments				531	531
Mpumalanga Provincial administration				-	91
Guateng Provincial administration				-	234
Advances from public corporation and private enterprises				1,335	663
<b>Total</b>				<b>1,866</b>	<b>1,519</b>
<b>20.2 Clearing accounts</b>					
Salary: ACB Recalls				4,718	2,249
Salary: Disallowance account				122	695
Salary: Regional service council				31	49
Salary: Income Tax				944	1,667
Salary: Finance other institution				4	53
Salary: Persal interface control				-	21
Salary: Pension fund				367	1,435
Salary: Deduction disallowance				1,931	-
Salary: Bargaining council				31	61
<b>Total</b>				<b>8,148</b>	<b>6,230</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

		for the year ended 31 March 2005			2005/06 R'000	2004/05 R'000
20.3	<b>Other payables</b>					
	Description					
	Debt suspense					322
	Third party transactions erroneous					6
	Pension recoverable account					29,045
	Rental deposits					10
	Private telephone control account					14
	Salary reversal control account					1,602
	Deduction disallowance					786
	Disallowance miscellaneous					9,226
	Salary: Tax debt					4,291
	Salary: Pension debt					185
	Thefts and losses awaiting approval					431
	Housing Loan Guarantees					-
	Debtor debt					207
	EBT Rejection					-
	Unp/ Recall					-
	Cancel Cheque					-
	<b>Total</b>					<b>46,135</b>
21	<b>Payables - Non current description</b>					
		<b>One to two years</b>	<b>Two to three years</b>	<b>More than three years</b>	<b>Total R'000</b>	<b>Total R'000</b>
	Other payables 21.1	-	-	993	993	993
		-	-	993	993	993
21.1	<b>Other payables</b>					
	Description					
	JMNA Hersensohnn School Fund General					130
	Jmna Hersensohnn Medical College					40
	Robert Acutt Scholarship Fund					158
	FL Johnsson Scholarship Fund					38
	FL Johnsson Scholarship Fund					43
	Harry Escombe Scholarship Fund					27
	Harry Escombe Scholarship Fund					73
	HA Koch Scholarship Fund					479
	Umkomaas War Memorial Prize Fund					1
	Jean Miller Memorial Fund					4
	<b>Total</b>					<b>993</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
<b>22. Net cash flow available by operating activities</b>		
Net surplus as per Statement of Financial Performance	161,289	85,394
decrease /(Increase) in receivables - current	12,271	(24,687)
Decrease in prepayments and advances	1,841	46,058
Increase in other current assets	(360,981)	(14,889)
Decrease in payables - current	(36,159)	(566,066)
Surrenders to revenue fund	(22,089)	(26,230)
Expenditure on capital assets	573,758	485,145
<b>Net cash flow generated by operating activities</b>	<b>330,036</b>	<b>(15,275)</b>
	<b>2</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>23. Reconciliation of cash and cash equivalents for cash flow purposes</b>		
Consolidated Paymaster General Account	(723,889)	(487,244)
Cash Receipts	21	45
Cash on hand	-	37
<b>Total</b>	<b>(723,868)</b>	<b>(487,162)</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

24. Contingent liabilities	Note	2005/06 R'000	2004/05 R'000
Liable to	Nature		
Motor vehicle guarantees	Employees Annexure 2	21	21
Housing loan guarantees	Employees Annexure 2	137,351	166,877
Claims against the department	Annexure 3	1,798,285	1796,044
Other departments (interdepartmental unconfirmed balances)	Annexure 6	7,856	68,375
Other	Annexure 3	40,303	40,303
<b>Total</b>		<b>1,983,816</b>	<b>2,071,620</b>
<b>25. Commitments</b>			
<b>Current Expenditure</b>			
Approved and contracted		17,202	151,017
Approved but not yet contracted		-	480,450
		<b>17,202</b>	<b>631,467</b>
<b>Capital Expenditure</b>			
Approved and contracted		391,355	466,422
Approved but not yet contracted		190,500	1,254,112
		<b>581,855</b>	<b>1,720,534</b>
<b>Total Commitments</b>		<b>599,057</b>	<b>2,352,001</b>
<b>26. Accruals</b>			
<b>By economic classification</b>	<b>30 Days R'000</b>	<b>30+ Days R'000</b>	<b>Total R'000</b>
Compensation of employees	826	6,215	7,041
Goods and services	32,073	63,911	95,984
Transfers and subsidies	149	-	149
Building & other fixed structures	919	17,818	18,737
Machinery and Equipment	201	477	678
Software & other intangible assets	238	4	242
<b>Total</b>			<b>122,831</b>
		<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>Listed by programme level</b>			
Administration		26,405	88,299
Public ordinary schools		58,670	38,455
Further education and training		20,002	16,000
Adult basic education and training		631	762
Early childhood development		109	-
Auxiliary and associated services		17,014	2,713
<b>Total</b>		<b>122,831</b>	<b>146,229</b>
<b>Confirmed balances with other departments</b>	Annexure 6	4,814	5,028
<b>Total</b>		<b>4,814</b>	<b>5,028</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

		2005/06 R'000	2004/05 R'000
<b>27. Employee benefits provisions</b>			
Leave entitlement		89,034	74,716
Thirteenth cheque		384,276	349,471
Performance awards		183	-
Capped leave commitments		1,789,285	1,796,044
<b>Total</b>		<b>2,271,778</b>	<b>2,220,231</b>
<b>28. Leases Commitments</b>			
<b>28.1 Operating leases</b>			
	<b>Buildings and other fixed structures R'000</b>	<b>Machinery and equipment R'000</b>	<b>Total R'000</b>
Not later than 1 year	6,129	9,998	16,127
Later than 1 year and not later than 5 years	12,258	4,600	16,858
Later than 5 years	7,303	194	7,497
<b>Total present value of lease liabilities</b>	<b>25,690</b>	<b>14,792</b>	<b>40,482</b>
<b>28.2 Finance Leases</b>			
Total value of finance leases (Not allowed per the treasury Regulations)			2,132
		2005/06 R'000	2004/05 R'000
<b>29. Irregular expenditure</b>			
<b>29.1 Reconciliation of irregular expenditure</b>			
Opening Balance		343,190	47,656
Irregular expenditure - current year		297,934	295,534
<b>Irregular expenditure awaiting condonement</b>		<b>641,124</b>	<b>343,190</b>
<b>Analysis</b>			
Current		297,934	295,534
Prior years		343,190	47,656
<b>Total</b>		<b>641,124</b>	<b>343,190</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

29.2 Irregular expenditure		2005/06 R'000	2004/05 R'000
Incident	Disciplinary steps taken / criminal proceedings		
Purchase of PABX : Head Office		-	600
Stationery: Ukhahlamba		-	11,391
Stationery: Zululand		-	21,142
Cleaning: Head office		-	433
Security: Head office		-	203
Infrastructure: Ethekwini		-	2,000
Consultants fees		13,090	6,543
Over expenditure on compensation of employees		67,172	62,487
Over expenditure on transfers and subsidies		216,712	190,735
Erection of school fence		7	-
Stationery: Ethekwini		24	-
School Furniture: Ethekwini		19	-
Renovations: Ethekwini		40	-
Printing: Ukhahlamba		870	-
<b>Total</b>		<b>297,934</b>	<b>295,534</b>

### 30. Related party transactions

Information about related party transaction is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the department. The principle issues in disclosing information about related parties is identifying which parties control or significantly influence the department and determining what information should be disclosed about transactions with those parties.

The above excludes transfer payments and subsidies, as that is disclosed in the annexures to the financial statements.

The Department operates the KwaZulu-Natal Education Development Trust. These trusts are operated in conjunction with major donors in the private sector. The department exercises significant influence over the activities of the trust as majority of trustees are officials of the Department of Education. No amounts were transferred to the trusts during the financial year.

### 31. Key management personnel

Description	No of Individuals	Total R'000	Total R'000
Political Office Bearers (provide detail below)	1	619	585
Officials			
Level 15 to 16	5	3,637	2,786
Level 14	9	4,983	6,523
<b>Total</b>		<b>9,239</b>	<b>9,894</b>

### 32. Provisions

**Potential irrecoverable debts**

Staff debtors	96,064	-
<b>Total</b>	<b>96,064</b>	<b>-</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 1 A

#### STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2004/05	
	Division of Revenue Act/ Provincial Grants	Roll Overs	Other Adjustments	Total Available	Amount received by department	Amount Spent by department	% of Available funds spent by department	Division of Revenue Act R'000	Amount spent by department R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%		
National Department of Education ñ HIV / AIDS	31,126	13,055	-	44,181	-	50,853	115.1%	29,188	16,133
National Department of Education ñ Primary school	198,849	32,961	98,402	330,212	-	198,980	60.3%	181,420	148,459
<b>Provincial Grants</b>									
Provincial Treasury	315,121	-	-	315,121	-	315,121	100.0%	282,594	282,594
ñProvincial Infrastructure									
<b>Total</b>	<b>545,096</b>	<b>46,016</b>	<b>98,402</b>	<b>689,514</b>	<b>-</b>	<b>564,954</b>		<b>493,202</b>	<b>447,186</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 1B STATEMENT OF UNCONDITIONAL TRANSFERS PAID TO PROVINCES

NAME OF PROVINCE/GRANT	GRANT ALLOCATION			TRANSFER		SPENT			2004/05 Division of Revenue Act R'000
	Amount R'000	Roll Overs R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Amount Received by municipality R'000	Amount Spent by municipality R'000	% of Available funds spent by municipality %	
KwaZulu-Natal Department of Transport	-	-	-	271	-	-	-	-	-
<b>Total</b>	-	-	-	<b>271</b>		-	-		-

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 1C

#### STATEMENT OF TRANSFER PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2004/05  Total Available R1000
	Amount R1000	Roll Overs R1000	Total Available R1000	Actual Transfer R1000	% of Available Transferred %	Amount Received by municipality R1000	Amount Spent by municipality R1000	% of Available funds spent by municipality %	
Ukhahlamba	3	-	3	6	200.0%	-	-	0.0%	2
Ethekwini	8,649	-	8,649	7,812	90.3%	-	-	0.0%	7,098
Umgungundlovu	4,268	-	4,268	3,597	84.3%	-	-	0.0%	3,280
Ugu	2,833	-	2,833	2,607	92.0%	-	-	0.0%	2,336
Uthungulu	4,004	-	4,004	3,741	93.4%	-	-	0.0%	3,335
Umkhanyathi	2,757	-	2,757	2,569	93.2%	-	-	0.0%	2,296
Indlovu	-	-	-	1,397	-	-	-	0.0%	1,251
Uthukela	2,417	-	2,417	2,192	90.7%	-	-	0.0%	1,972
Zululand	4,343	-	4,343	3,886	89.5%	-	-	0.0%	3,473
Ilembe	2,870	-	2,870	2,622	91.4%	-	-	0.0%	2,349
Amajuba	1,586	-	1,586	1,445	91.1%	-	-	0.0%	1,296
Umkhanyakude	2,528	-	2,528	2,378	94.1%	-	-	0.0%	2,074
Sisonke	1,511	-	1,511	-	0.0%	-	-	0.0%	-
Total	37,769	-	37,769	34,252		-	-		30,763

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 1D

#### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	
FASSET	-	-	-	-	11,004	0.0%	11,964
<b>Total</b>	-	-	-	-	<b>11,004</b>		<b>11,964</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

#### ANNEXURE 1E

#### STATEMENT OF TRANSFERS / SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATIONS	TRANSFER ALLOCATION				EXPENDITURE		2004/05 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	
<b>Transfers</b>							
Public ordinary schools	356,696	-	-	356,696	436,581	122.4%	433,228
Independent schools	45,650	-	-	45,650	45,614	99.9%	33,474
Special schools	42,973	-	-	42,973	42,646	99.2%	42,938
FET Institutions	59,347	-	-	59,347	139,801	235.6%	58,727
Early childhood development	4,298	-	-	4,298	3	0.1%	76
Auxiliary & associated services	-	-	-	-	2	-	244
Administration	-	-	-	-	-	-	161
<b>TOTAL</b>	<b>508,964</b>	<b>-</b>	<b>-</b>	<b>508,964</b>	<b>664,647</b>		<b>568,848</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 1F

#### STATEMENT OF TRANSFERS / SUBSIDIES TO HOUSEHOLDS

NON PROFIT ORGANISATIONS	TRANSFER ALLOCATION			EXPENDITURE		2004/05 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
					% of Available Transferred %	
<b>Transfers</b>						
Employees	-	-	-	-	42,540	35,017
Claims against the state	-	-	-	-	141	313
<b>TOTAL</b>	-	-	-	-	<b>42,681</b>	<b>35,330</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2006

#### ANNEXURE 1G

#### STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Royal Netherlands Embassy	Building of Educational Centres	-	25,999	1,934	24,065
<b>Total</b>		<b>-</b>	<b>25,999</b>	<b>1,934</b>	<b>24,065</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 2

#### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 n LOCAL

Guarantor Institution	Guaranteee in respect of	Original Guaranteed capital amount R'000	Opening Balance 1 April 2005 R'000	Guarantees issued during the year R'000	Guarantees Released during the year R'000	Guaranteed interest outstanding as at 31 March 2006 R'000	Closing balance 31 March 2006 R'000	Realised losses i.r.o. claims paid out R'000
<b>Motor Vehicles</b>								
ABSA		-	21	-	-	-	21	-
		-	21	-	-	-	21	-
<b>Housing</b>								
Standard Bank		-	20,209	1,446	5,309	-	16,346	-
FNB		-	44,166	2,162	14,449	-	31,879	-
Nedbank		-	10,638	1,904	2,294	-	10,248	-
ABSA		-	39,360	4,494	17,118	-	26,736	-
Peoples Bank FBC		-	915	50	121	-	844	-
Old Mutual		-	39,274	3,692	9,365	-	33,601	-
Hlano		-	14	-	-	-	14	-
Ithala		-	11,782	6,087	654	-	17,215	-
Free State		-	33	-	-	-	33	-
Green Stuart		-	59	-	-	-	59	-
BOE Bank		-	13	-	13	-	-	-
Company Unique Finance		-	414	-	38	-	376	-
<b>TOTAL</b>		-	<b>166,877</b>	<b>19,835</b>	<b>49,361</b>	<b>-</b>	<b>137,351</b>	<b>-</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 3

#### STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	Opening Balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Closing Balance R'000
<b>Claims against the department</b>			
Capped leave commitments	1,796,044	2,241	1,798,285
	<b>1,796,044</b>	<b>2,241</b>	<b>1,798,285</b>
<b>Other</b>			
Other	40,303	-	40,303
	<b>40,303</b>	<b>-</b>	<b>40,303</b>
<b>Total</b>	<b>1,836,347</b>	<b>2,241</b>	<b>1,838,588</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 4

#### CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Non-residential buildings	440,999	520,698	-	961,697
	440,999	520,698	-	961,697
<b>MACHINERY AND EQUIPMENT</b>				
Transport Assets	44,146	52,864	-	97,010
Computer equipment	13,626	3,676	-	17,302
Furniture and office equipment		2,548	-	2,548
Other machinery and equipment	25,776	30,124	-	55,900
	4,744	16,516	-	21,260
<b>LAND AND SUBSOIL ASSETS</b>				
Land	-	161	-	161
<b>TOTAL CAPITAL ASSETS</b>	<b>485,145</b>	<b>573,723</b>	<b>-</b>	<b>1,058,868</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 4.1

#### ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	Total R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>520,698</b>	<b>520,698</b>
Non-residential buildings	520,698	520,698
<b>MACHINERY AND EQUIPMENT</b>	<b>52,864</b>	<b>52,864</b>
Transport assets	3,676	3,676
Computer Equipment	2,548	2,548
Furniture and office equipment	30,124	30,124
Other machinery and equipment	16,516	16,516
<b>LAND AND SUBSOIL ASSETS</b>	<b>161</b>	<b>161</b>
Land	161	161
<b>TOTAL CAPITAL ASSETS</b>	<b>573,723</b>	<b>573,723</b>

#### ANNEXURE 4.2

#### CAPITAL TANGIBLE ASSETS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions R'000	Total Movement R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>		
Non-residential buildings	440,999	440,999
	440,999	440,999
<b>MACHINERY AND EQUIPMENT</b>	<b>44,146</b>	<b>44,146</b>
Transport assets	13,626	13,626
Furniture and office equipment	25,776	25,776
Other machinery and equipment	4,744	4,744
<b>TOTAL CAPITAL ASSETS</b>	<b>485,145</b>	<b>485,145</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 5

##### CAPITAL INTANGIBLE ASSET COST MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer software	-	35	-	35
<b>TOTAL</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>35</b>

#### ANNEXURE 5.1

##### ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	Total R'000
Computer Software	35	35
<b>TOTAL</b>	<b>35</b>	<b>35</b>

## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 6

#### INTER-GOVERNMENTAL RECEIVABLES

Government Entity	unconfirmed balance		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000
<b>Department</b>				
KwaZulu Natal Department of Arts, culture and Tourism	27,258	29,143	27,258	29,143
KwaZulu Natal Department of Social Welfare	-	2,494	-	2,494
KwaZulu Natal Office of the Premier	887	949	887	949
KwaZulu Natal Department of Sport and Recreation	6,110	5,679	6,110	-
Other	4,337	3,382	4,337	3,382
<b>TOTAL</b>	<b>38,592</b>	<b>41,647</b>	<b>38,592</b>	<b>41,647</b>



## Kwa-zulu Natal - Department Of Education Vote 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

#### ANNEXURE 7

#### INTER-GOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Department of Transport	3,870	2,147	-	-	3,870	2,147
Department of Health	-	970	-	-	-	970
Department of Housing	-	10	-	31	-	41
Department of Works	-	-	4,064	63,338	4,064	63,338
National Department of Education	-	-	3,439	4,508	3,439	4,508
Department of Justice	245	1,901	-	-	245	1,901
SAMDI	-	-	-	173	-	173
Mpumalanga Provincial Administration	-	-	-	91	-	91
Public Service Commission	699	-	-	-	699	-
National Department of Foreign Affairs	-	-	246	-	246	-
National Treasury	-	-	107	-	107	-
Gauteng Provincial Administration	-	-	-	234	-	234
<b>Total</b>	<b>4,814</b>	<b>5,028</b>	<b>7,856</b>	<b>68,375</b>	<b>12,670</b>	<b>73,403</b>

## 19. Senior Management Organisational Structure

